“Almost a Revolution”: 1960s Liberals and Liberal Reforms in Slovenia, Croatia and Serbia

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A dissertation submitted in partial satisfaction of the

requirements for the degree of

Doctor of Philosophy

in

History

in the

Graduate Division

of the
University of California, Berkeley

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Fall 2013
Abstract

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How did socialist political elites from across Yugoslavia devise in the 1960s liberal, even neoliber al economic reforms well before the term the Chicago school had fully emerged? This dissertation argues that a particular type of World War II insurgency shaped Yugoslavia’s unique geopolitical position as a wedge between the Superpowers during the Cold War. These two factors—a successful local-level insurgency and Yugoslavia’s unique geopolitical position—shaped the emergence of a distinct and innovative type of socialism. The idea of workers’ self-management represented a dramatic departure from Soviet-style state socialism and transformed Yugoslavia into a minor international power. In Yugoslav practice, self-management remained inseparable from the prior commitment of Tito’s Partisan generation elite to socialist federalism and political decentralization that was critical for the communists’ successful mobilization of Yugoslavia’s constituent nations and minorities during World War II.

After the period of postwar reconstruction (1945-1954) and the final consolidation of communist power, the Yugoslav elite embarked on an ambitious economic reform largely financed by Western credits. Such structural reforms required a degree of central state coordination and arbitration among the competing economic interests of constituent socialist republics that was not easy to reconcile with the Yugoslav communists’ commitment to decentralization and even to the Marxist withering away of the state. One axis of conflict involved primary goods producers in the poorer southern republics and export-oriented manufacturing firms in the wealthier northern republics; another one pitted hardliners against reformers in the communist party leadership who could not agree on what constituted a fair apportionment of republic-level financial burdens and benefits within the federal state. The ultimate triumph of reformers in the 1960s paved the way for further decentralization, with the consequence that after 1971, Yugoslavia’s six republics and two autonomous provinces could veto any significant federal-level economic legislation. The result was that by the 1980s the Yugoslav federal state was hollowed out from within, making much needed federal-level reforms all but impossible. In this way, the political-economic legacy of the 1960s paved the way for Yugoslavia’s ultimate disintegration in the late 1980s.
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Acknowledgements

This is at once the most rewarding and the most difficult part of the dissertation. The most rewarding because I have an opportunity to thank the many people who have made this project possible and the most difficult because I cannot share this with a number of people.

A draft of the chapter on regional development started as a paper for Gerald Feldman and Margaret Anderson’s research seminar. I had hoped that Dr Feldman might agree to be a member of my dissertation committee, and am happy that I will be able to give a copy of the dissertation to Norma Feldman and Dr Anderson, and am sure they’ll note the relative dearth of German sources. Taja would have noted this for sure and Nejc the graphs. Zoran Stanković encouraged me and, ever the water polo player coached me though some hard moments, even as Jeka and he faced the hardest. Janez Justin also encouraged me, even since my undergraduate days, and I look forward to reexamining the wisdom of that pedagogical impulse with Maja Zupančič, and especially with Mojca and Manca.

Just as I prepared to take my paperwork to the Sproul Hall on Thursday, 19 December, I received a phone call -- Randall Trefzger passed that morning. These lines are the most difficult to write, and I know that my friends and family will agree. “No words could explain, no actions determine, /Just watching the trees and the leaves as they fall.”

Randall’s steadfast support through the years helped make possible that short, and long, walk from Evans Hall to Sproul Hall and so have many other people. It is therefore a joy indeed solace to acknowledge this help, starting with my family. My mother nudged me to hurry up, and my father advised me to take those motivational measures in stride. I regret missing so many birthdays and otherwise being a very absent uncle to Sofija, Kiša and San; while Matija and Ana got away from writing a dissertation, they will not get away from editing and designing its subsequent iterations.

I met the Chair of my dissertation committee, Dr John Connelly, as an undergraduate. While I could imagine writing a very different dissertation, I cannot imagine the dissertation without Dr Connelly. To me it seems that our conversations meandered since my undergraduate days, and with some luck will continue to do so for years hence. I also met Dr Veljko Vujačić as an undergraduate, and I have had the great fortune to have his friendship and advice. Dr Jan de Vries’ helped at critical moments and supported my attempts to pursue research that both historians and economists might find insightful. Dr Eugene Smolensky urged me not to “complexify” when he served as my thesis advisor at the Goldman School, and I have tried to follow that advice while writing the dissertation.

Berkeley’s many institutes, centers and working groups serve a vital support role for graduate students. An earlier version of the first chapter benefited from feedback from the participants of the Kroužek, Culture and History of East Central Europe working group supported by the Townsend Center, and several iterations of the migration chapter benefited from the feedback of the Interdisciplinary Immigration Workshop that Dr Irene Bloemsma and Dr Cybelle Fox help guide and that the Institute for Research on Labor and Employment sponsors. The Institute for European Studies and the Gerald D. and Norma Feldman Graduate Student Dissertation Fellowship helped make possible the initial research and write-up of the second chapter. Funding from the All-UC Group in Economic History helped with research for the chapter on liberalism, and the generous support from the Peter N. Kujachich Endowment made possible research that enabled me to incorporate materials from Tito’s recently opened archive, significantly improving the documentary base for the chapters on migration and purges.

The Institute for the Study of Societal Issues has been a second intellectual home to Berkeley’s Program in Eurasian and East European Studies. Dr Martín Sánchez-Jankowski and Dr Edward Walker know have asked me some of the most difficult questions and provided support that made completing the thesis possible.

Many faculty members across the campus influenced this project, and I wish I had learned more from them. Dr Richard Buxbaum’s class on European Union Law, Dr Brad DeLong’s and Dr Barry Eichengreen’s economic history seminar, Dr Alain de Janver’s development economics and Dr Roland Lee’s economic demography courses broadened my approach to thinking historically. Dr Martha Olney’s energy and enthusiasm for teaching has been an inspiration and her Head Graduate Student Instructor, Tara Roach, and the other Instructors in the Introduction to Economics course helped and inspired me in the critical final weeks of writing.

In the earliest stages of writing, I had the pleasure of meeting Iva Lućić and Milan Piljak in the Archives of Yugoslavia, and hope that we will meet there or some other auspicious location to celebrate. The Archives and its gem of a library form a community that I had not experienced before and one that I am eager visit shortly. In Belgrade, over the years Dr Ljubomir Dinić and, more recently, Dr Vesna Aleksić have kindly and consistently inquired about my research and helped with many references and contacts. The “invisible dissertation committee,” including Dr Gordana Matković, Dr Jurij Bajec and Dr Boško Mijatović, has been a source of support and I am grateful to Vera Kovačević for all her help.

In Zagreb, the staff at Croatia’s State Archive and the University Library helped make research productive and provided encouragement and guidance through their many underutilized collections and resources. Dr Tvrtko Jakovina and Dr Duško Sekulić helped during different stages of the project and it will be good to share this project with them. In Ljubljana, the Institute for Contemporary History inspires research in a way that makes it difficult to leave and, along with Dr Janez Justin, I felt that Dr Žarko Lazarević and Dr Peter Vodopivec formed another invisible dissertation committee.

As I begin the walk from Sproul Hall into the future, I am grateful for all the help I have received and know that the above qualifies as highly incomplete record of acknowledgements. My hope is that what follows, at least in part shows how many people and institutions have helped me, a fact that may ultimately count as the most significant lesson I have learned while writing a dissertation.
Introduction

The Main Arguments

Horrendous violence characterized the creation of socialist Yugoslavia in the 1940s and its protracted disintegration throughout the 1990s. This, as well as the comparative prosperity and peaceful co-existence of the six republics and two autonomous provinces that made up the multiethnic federation during the Cold War, raises the question why had one of the world’s loosest and relatively prosperous federations disintegrated so violently? An underexplored part of the answer lays in another question that is at the heart of this dissertation: how did socialist political elites from across Yugoslavia devise in the 1960s liberal, even neo-liberal, economic reforms even before the term “the Chicago school” had fully emerged?

Tracing two arcs helps answer the question. The smaller arc connects the specific expression of political decentralization within the Yugoslav context - called throughout the dissertation the AVNOJ bargain (1942-1943) - the country’s geopolitical position as a wedge between the Superpowers (post-1948) and the resulting variety of socialism and self-management (post-1950). The larger arc attempts to connect political decentralization, economic reforms, and disintegration at relevant points in the archival chapters. The smaller arc forms the focus of the second half of this chapter and serves as a background for the emergence of 1960s reformism by pointing to a puzzle. Namely, while the Soviet Union recentralized in the 1960s after failed liberalizing economic reforms, a process vividly called “the treadmill of ‘reforms’,” Yugoslavia decentralized further after economic reforms failed in the 1960s.

Economic reforms mean, in this study, reshaping the relationship between labor and capital, the two major inputs to the process of economic production with the aim of visibly changing the amount or the type of goods and services created by an economy, the outputs of production. In economic terms, reforms here mean public policies aimed at changing a country's production function, including a change in political-economic institutional arrangements (empowering workers’ councils in the 1950s, or lifting trade barriers in the 1960s). The reform period began in the early 1960s, when political elites first tried to create a convertible currency, and ended in the early 1970s when Tito, Yugoslavia’s indomitable ruler, purged reformist leaders. The reforms would have created market-based institutional mechanisms for negotiating competing economic interests. The abandonment of reform left a deeply divided society without Western-style mediating institutional mechanisms (e.g., the European Coal and Steel Community) but also without centralized economic institutions, like an effective Central Bank, making Yugoslavia’s workers especially prone to disruptive events like the 1973 Oil Shock.

New archival sources invite a fresh look at how political elites understood and attempted to reshape the two major factors of production, labor and capital. Specifically, in the decades after the split with Stalin, political elites repeatedly tried and failed to reach an agreement about a just apportionment of burdens and benefits of belonging to a common state. Failed economic reforms begat political decentralization -- in contrast to the Soviet Sphere, a point explored further below – and therefore through the 1960s, decentralization turned out to be the main policy to improve the functioning of the federation. Outside the military, few areas escaped decentralization, or de-étatatization in the language of Yugoslavia’s reform socialists (Table 1).
Examples of the failure to make the common state function better include controversies about transfers from richer to poorer regions in the form of development loans or investment capital, and an inability to create a functioning let alone a centralized institution to co-ordinate the flow of economic émigrés to the West during the 1960s. These two suggest complementary case studies about how reformers attempted to change the relationship between capital and labor. Examinations of regional development and emigration (Chapters 4 and 5, respectively) are nested by a chapter that shows how a type of reformism based on market mechanisms got on the policy agenda in the early 1960s and a chapter on how hard-liners purged those reformers, mostly younger revolutionaries with technocratic and cosmopolitan proclivities, in the early 1970s.

Chapter 3 outlines the mix of internal factors, including Yugoslavia’s first large scale strike that engulfed strategic coal mines in Slovenia in 1958-1959, as well as external factors such as the preparation to join the General Agreement on Trade and Tariffs, finally accomplished in 1961, that placed economic reformism on the policy agenda. A parallel reading of sources from the three most influential republics, Slovenia, Croatia and Serbia, reveals a clearer picture of the apparently “monetarist” pedigree of the reforms, including abandoning price controls and creating a convertible currency. The answer lays in the legitimating approach taken by leading communists, Stane Kavčič, the Prime Minister of Slovenia, and Savka Dabčević-Kučar and Marko Nikezić, the Secretaries of Croatia’s and Serbia’s League of Communists.

While liberalism meant somewhat different things in the three main republics, all shared a desire to lessen the control of Tito and the security apparatus via outward economic integration. In Slovenia, reformist elites wanted reconnection with European markets coupled with hollowing out the federation in order to make perceived surplus extraction by the federal center harder. In Croatia, reformist elites focused on autonomism. Co-opting moderates among the politically strong Serb minority proved more difficult with popular grievances based on Croatia’s economic exploitation by hard-line Serbs overrepresented in the local and federal security apparatus, a clear case where the presence of a protective sphere would have ameliorated the domestic security dilemma. In Serbia, reformists focused on industrialization and helped create two highly autonomous provinces, Vojvodina and Kosovo that, ironically, reinforced local patron-client relations.

The content of reformism remained loosely connected to Marxism but inseparable from a handful of tenets of state socialism – no private financial capital, state ownership of infrastructure and the “commanding heights” of the economy. As large parts of macroeconomic policy remained quintessentially consistent with a socialist closed economy, other macroeconomic policies, such as essentially free labor mobility from the early 1960s recalled an open economy, even Chicago school liberalism. Coupled with price decontrol in various markets, tried in 1961 and on a broader scale again in 1965, a selective view of economic policies suggested an early case of at least a partially internally-driven, not externally conditioned, emergence of measures nowadays known as the Washington consensus.

The regional development program, known by its acronym, FADURK (the Fund for the Development of Underdeveloped Republics and Kosovo) showed how reforms decentralized a veritably Stalinist institution, the General Invest Fund, which disbursed investment capital to enterprises through the 1965 reform legislation. Candid discussions during the late 1960s in the Social Policy Committee working within Yugoslavia’s Central Committee suggest that an underappreciated proximate cause behind the reformers’ efforts to end central planning was the desire to end the capacity of the center, Belgrade, to redistribute economic resources.
While reformist political elites proffered measures that augmented political and economic power of their home republics, the federal regime had few politically acceptable models for “burden-sharing” among the winners and the losers of reforms outside FADURK and, more problematic, the control of Belgrade-based financial institutions. Debates showed that elites broadly accepted the Marxist goal of equalizing productivity levels across regions, and argued that transfers from the rich to the poor qualified as “false solidarity” and merely a way to boost consumption in the short-term.

The liberals won but destabilized the common state since spending on regional development reflected a bargain between poorer Partisan regions (Bosnia, Montenegro) and wealthier ones that benefited territorially from Partisan victory (Slovenia, Croatia). Internal debates demonstrated that state-led development, as practiced by East Asian “tigers,” consistently lost. This helps explain why infrastructure projects across republic-based lines simply failed. For example, began in 1948, the highway from Slovenia to Macedonia remained unfinished in 1991, including the section connecting Zagreb to Belgrade. A rail link between Sarajevo and Belgrade never progressed far beyond the planning state, and the examples continue.

In contrast to regional development, where a strong push existed to end top-down transfers to the poor, economic emigration showed how a bottom-up push by republics for a centralized, coordinated approach repeatedly failed. The peculiarly Yugoslav liberal experiment — freedom of movement of labor starting in the early 1960s - and its unintended consequences, including vicious debates among republics regarding control of foreign currency remittances sent back home by economic migrants, comes into sharp focus with freshly available sources from Tito’s personal archive. Marxist thought provided more of a blueprint for dealing with capital – Tito rejected the creation of financial capital outside the strictest oversight of the party and, presumably, the security apparatus – yet Marxist thought played a much smaller role in debates among elites from the 1950s to the 1970s about labor.

Some 1.5 million citizens, mostly young men, opted for economic migration to the West from the 1960s to the 1980s, and many sent back remittances that accounted for about a fifth of foreign currency earnings. Yet this process took place with practically no federal oversight and provided a powerful impetus for republic-based elites to create “their” own banks (Figure 1 and Figure 2, note that Croatia drives trends). In Croatia, which shared with Slovenia a tradition of economic emigration, over 10% of the labor force migrated to the West between the early 1960s and early 1970s. A high proportion of ethnic Croats emigrated to work in the West from regions in which Serbs formed the local majority. Maps based on census data compare ethnicity and politically sensitive emigration, something officials publications studiously sidestepped, and demonstrate that this trend persisted into the 1980s.

Labor mobility therefore captured Yugoslavia’s conundrum. Neither republic-based nor federal institutions alone had the capacity to deal with unintended consequences of the free movement of labor, including grievances publicly voiced during the Croatian Spring (1966-1971), that Croats were better off leaving “their” republic. Yet despite a clear definition of the problem no later than the early 1960s, and one largely unencumbered by ideological rigidity or narrow ethnic interests of Serbs (the largest group), republic-based and federal decision-makers failed to devise a joint initiative. Yugoslavia’s integration into the “global division of labor” coupled with the purge (1966) of the powerful opponent of decentralization, Tito’s secret police chief, Aleksandar Ranković, provided a policy window for greater experimentation, indeed too much experimentation so far as the hard-liners had been concerned.
Chapter 6 describes how hard-liners and Tito, the country’s indomitable leader, ended what they termed “factionalism” within a supposedly unified revolutionary workers party, another key tenet of hard-line perceptions of socialism, between 1971 and 1974. The purge of moderate reformers across Slovenia, Croatia and Serbia capable of political cooperation and of constructive conflict (as opposed to destructive non-cooperation), connects the federation’s dissolution to the purges, a neglected critical juncture in Yugoslavia’s history and a point discussed in the Conclusion. While forced expulsions predominated in Croatia and numbered into the thousands, based on new estimates using party census data, most reformers had been erased from party records in Serbia while in Slovenia it seems that reformers simply voluntarily left the party. Copious secondary literature substantiates that a purge took place across Yugoslavia and it seems to have been substantially different in each republic, a point that underlines again the special place of decentralization in socialist Yugoslavia.

Why decentralization became a defining feature of Yugoslav federalism, or why was policy experimentation focused on narrowing the competencies on the civilian side of federal authority? Chapters 1 and 2 propose an answer based on a frequently recognized interdependence between economic and social, or national policies that socialist elites implemented. To offer one synoptic statement by a leading historian of Yugoslavia, Ivo Banac:

The key to Yugoslavia was always in its parts. Only an untrained or complacent observer could see something permanent in such a contrived country. Permanence lay in the historical states of Serbia, Croatia, Bosnia-Herzegovina, Montenegro, and the more recent constructs of Slovenia, Macedonia, Vojvodina, and Kosovo…. Political unions more awkward and complex than Yugoslavia have managed in the past. Success stories are not plentiful, but they do exist. The precondition for successful unions, however, is that their component parts and constituent communities are-or at least feel-genuinely equal. That was never the case in Yugoslavia. The Serbian supremacy of the interwar royalist period was duplicated under the centralism of the communist regime. But when Tito set out to correct that trend with his (con)federalist constitution of 1974, he opened himself and his experiment to reactions by the Serbian establishment and interests.  

The rest of the introduction shows the tension, specific to socialist Yugoslavia, between a sui-generis legitimating strategy based on decentralization and the need for a grand bargain among competing economic interests outside the “protective sphere” of the Superpowers. The working hypothesis here is that relative independence, from the 1950’s, permitted local political elites room to experiment, including to hollow out the civilian side of the federation, which in turn made enforcing even minor structural reforms more dependent on support from constituencies with competing interests (manufacturers versus agriculture). The 1960s economic reforms exemplify the process of starving the beast of centralized authority. Too little, not too much, civilian government helps explain the failure of reforms and, ultimately, of the common state.

Long-Term Enabling Conditions for 1960s Economic Reforms: The Partisan bargain and The Geopolitical Wedge Status

Several sequential developments during the first decade of socialist federalism (circa 1943 to 1953) enabled the innovative 1960s economic reforms in Yugoslavia. First, local anti-fascist elites came to occupy a central, though somewhat neglected, place at the inception of socialist Yugoslav federalism during World War II. Second, Yugoslavia served as a geopolitical wedge between East and West after 1948. Third, and most relevant for economic reforms, the self-management economic model of socialism emerged in the early 1950s. Yet, together these
developments shaped Yugoslav federalism and its penchant for decentralization. Each development seemed at the time sui generis and contingent, but the overall arc or trajectory belongs to a still heated policy and academic debate about the efficacy of increasing living standards in ethno-religiously diverse communities via non-democratic, indeed coercive politics.

1. The AVNOJ Bargain: How Decentralization and the Army Became Part of Yugoslavia’s DNA

Local elites across Yugoslavia formalized the terms of their cooperation in November 1943. The elites were more anti-fascist than Marxist-Leninist, ethnically diverse but with Serbs predominating as foot soldiers, and with a sizable proportion of women. The elites’ bargaining culminated in the creation of socialist Yugoslavia at the second session of the Anti-Fascist Council for the National Liberation of Yugoslavia (acronym AVNOJ). In Jajce, Bosnia-Herzegovina, the assembled local elites took two decisions critical for economic reformism. First, to prevent the rise of a “hegemonic clique,” the new state would be federal, not unitary and, second, the new state would be based on the principle of equality among national communities, a critical caveat with distributive consequences and one that revealed the influence of Soviet principles.

The negotiations started prior to Tito’s receipt of significant Soviet or Western aid. The resulting federal arrangements reflected both the regional-territorial interests of local leaders, including select non-communists, as well as the better researched ethnic interests of non-Serbs rightly fearful of “greater Serbian hegemony,” which so marked the first, interwar Yugoslavia. Various iterations of the bargain emerged, yet the federal element, which led to a variant of fiscal federalism by 1971, and equality among nations, which created incentives for nationalities (ethnic minorities) to seek nationhood status and for nations to secure territorial rights, persisted through the nearly 50 years of Yugoslav socialist federalism. Stated bluntly, local self-rule of Partisan elites extended as far as security conditions, both external and internal, permitted.

In the immediate post-war period, neither the Red Army nor the Allies established their hegemony in Yugoslavia but both exerted strategic influence (the United States with the United Nations Relief and Rehabilitation Agency, the Soviet Union with ubiquitous advisors). The Allies could not simplify Yugoslavia’s serpentine ethno-political geography as they had simplified that of neighboring countries. They neither redrew borders (Poland and Germany) nor resettled populations (the resettlement of ethnic Russians in the Soviet Baltic’s).

The absence of direct Allied occupation, however, had not freed local elites across Yugoslavia to do as they pleased. As in neighboring Austria, without the hegemony of one Superpower, domestic intra-elite bargaining operated somewhat differently than in countries where one Superpower established hegemony. In an intricate balancing act, elites devised their own mix of territorial and ethnic principles (e.g., creating Macedonia, expelling Germans, briefly addressed in Chapter 2). Additionally, Tito’s nascent federal revolutionary regime had to assure cooperation of local elites for destroying non-socialist domestic opponents. The precipitous fall from power (1946-1947) of a key leader of Croatia’s Partisan movement (ZAVNOH), Andrija Hebrang, showed the outer limit of how much local elites demanded – wide autonomy including, famously, separate telephony. Simultaneously, the unduly neglected political trails of former Dachau inmates, which started in 1947 in Slovenia, showed the intensity of the inter-socialist struggle.
2. The Wedge: How Being outside Superpower Security Spheres Yielded Access to their Resources but not a Mechanism for Fair Distribution of those Resources

Despite the quick withdrawal of Red Army troops (late 1944), Stalin demanded fealty, which in the Yugoslav case meant moderating revolutionary zeal. If local Partisan units defeated Hitler and his henchmen without support from Stalin, why should they surrender to Stalin and his henchmen, or accept Soviet accusations about the inadequacy of their revolutionary commitments? Thus, the success of the local-level, mixed-gender, largely peasant resistance to Hitler (1941-1945) subsequently served as a critical reservoir of popular support for the regime during the struggle against Stalin after the war (1948-1952). The split with Stalin has received significant attention and three points highlight how the split affected the AVNOJ bargain.\(^{15}\)

First, the split gave the bargain added relevance. Had the Stalinists taken over, the AVNOJ sessions might have been officially remembered perhaps as the 1944 Warsaw Uprising had been in People’s Poland – anti-fascist but not part of “right-thinking” socialism. Second, the split made the threat of another invasion plausible and changed dramatically Yugoslavia’s place in the international system. In an intriguing effect of geopolitics, the threat of another invasion favored the over-development of security-related apparatus (military, police and, eventually, territorial guard as well as diplomacy) at the cost of under-development of all other federal capacities and thus other federal agencies.

Yugoslavia’s geopolitical position as a wedge gave republic-based and federal elites the room to experiment as well as a global audience and clientele.\(^{16}\) Symbols of Yugoslavia’s stature appeared, for example, at the entrance of the United Nations New York headquarters’ in 1954, with a statue from Croatia’s, and Yugoslavia’s, most prominent socialist-era sculptor, Antun Augustinčić, and complemented assessments of Tito as “a world statesman of the first rank” by American Presidents.\(^{17}\) Yet if local elites had more to distribute, they also had more to fight over (or more to coordinate and cooperate over) than comparable political elites in Eastern Europe. The perverse effect of being a wedge (the first one at that) was that it made distributive debates among elites more, not less vicious: how many Fulbright’s would each republic receive, how much ore from the Soviet sphere?

Various answers exist, and the first two chapters attempt to provide an answer based on the peculiar interplay between the wedge status, the Partisan bargain and the resulting adaptations of Stalinist blueprints to geopolitical and local realities, above all the political-economic system known as self-management. Chapter 1 recounts the meeting between Tito and Croatia’s political elites in late 1971 and the meeting serves as a pivot or case study of the interplay between economic, political and national issues that defined the common state.

One contentious point of debate concerned the inability of socialist elites to devise a just system of dividing foreign currency, and reformers called for “clean accounts” (“čisti računi”) or transparent dealing between the federal center and republics. Reformers won some concessions – for instance devaluation in 1972 made exports cheaper and tourist enterprises could keep more of the currency they earned – but Tito still insisted that popular unrest had less to do with a poor currency policy and more with nationalism, the second theme. The counting or “enumeration” (“prebrojavanje”) of workers in enterprises based on their ethnicity added up to unacceptable nationalism. Although little evidence existed at the time that such a practice took place, Tito warned that the mere rumor and some apparent plans to that effect dangerously harkened to the war years. The Central Committee thus needed to take responsibility, quickly and publicly and in a way that showed that political culture remained influenced by Bolshevik practices of so-called self-criticism once a party members realized the ideological mistake and of purging the party.
Political practices of revolutionary elites that gave local leaders significant authority but were still subject to Tito’s rule, comprises the third theme of the meeting.

Chapter 2 presents a conceptual framework used throughout the study, and is based on three themes that surfaced during the seminal meeting. The wedge status led to Western resources like hard currency and the Partisan struggle gave local elites power to demand clean accounts, while the legacy of the first, royalist Yugoslavia and the internecine violence during World War II shaped the regime’s attitude toward nationalism that condemned enumeration. The interaction of these three shows how Yugoslavia transformed, to develop Yuri Slezkine’s metaphor, from a Soviet-style communal apartment -- one party distributes most goods, including which ethnic group qualifies for a room -- to something resembling a tenancy in common -- local parties make many distributive decisions.18

To sum up, the three sequential developments within the first decade of socialist federalism -- Partisan resistance (1941-1945), the first wedge between the Superpowers (after 1948), and the emergence of self-management (after 1950) -- opened the window for innovative approaches to the distribution of scarce resources, the issue at the heart of economic reforms. Yet, these same developments also failed to close the door on nationalist ideologies according to which political co-existence was inseparable from economic exploitation.

From the early 1950s, the dual struggles (Hitler and Stalin) coupled with the resources from the Superpowers, enshrined among local elites a type of political decentralization with its peculiar checks and balances.19 The checks on federal authority aimed at obstructing a “hegemonic clique” -- whether based nationally, ideologically or, worse, both – remained symbolic or ineffectual in the security sphere, especially during Tito’s lifetime, and yet the checks on federal authority provided legitimacy to republic-based elites to limit the centralization of power, state and party alike. In the literature, the formation of the second Yugoslavia, which enshrined federalism and political decentralization, has received far less attention than the break with Stalin, which displayed the regime’s commitment to “combat tasks” and strict vertical hierarchy. The latter showed the regime as brutally disciplined and the former why socialism in Yugoslavia critically relied on decentralization as a legitimating strategy. This study focuses on decentralization and thus shows the policy space (field) as an unstable mix of some local-level elites with centripetal tendencies and large parts of the security apparatus with centrifugal tendencies.20

A Note on Sources and Research Design

The public institutions subordinate to Tito discussed below include the most influential executive, ideological and consultative institutions. The executive institution requires least explanation since it was the functional equivalent of a federal government, the Federal Executive Council (Savezno izvršno vеćе). Naturally, several of its secretariats, or Ministries, also appear, namely the ones for foreign affairs, for labor and for finance. The most influential ideological institution, the communist party, called the League of Communists to distinguish it from the Leninist-style parties, requires some explication. Yugoslavia’s League, in conscious counter-distinction to the parties in power in the Soviet sphere reformed itself in the early 1960s so that the branches in republics and provinces first agreed on their positions and then negotiated among themselves to arrive at an all-Yugoslav position. Here, materials from Slovenia’s, Croatia’s and Serbia’s Central Committees, which are not widely used by foreign scholars, complement those more widely used materials from Yugoslavia’s Central Committee.21 These sources, in addition
to those from the recently opened Tito’s personal archive, enable an approach familiar in studies of federalism in the United States, namely state-to-state relations.\textsuperscript{22}

The most interesting institution is the Socialist Alliance of the Working People of Yugoslavia (Socijalistički savez radnog naroda Jugoslavije, SSRNJ). It served as a “talk shop” for all ideologically sanctioned associations of working people, and so had representatives from all regions of the country and from all segments of society. The Socialist Alliance served as a place where representatives from the same agencies hailing from different regions, such as the state Labor Bureaus from Slovenia, Croatian, and Serbia, discussed policy and made non-binding recommendations to the government and the party, of course within the confines of an authoritarian regime. Along with the association of unions, the youth and the Partisans association, its cadres counted among strategic ones in the public sphere.\textsuperscript{23} Unlike the executive and party structures whose territorial organization rigidly structured communication, the Socialist Alliance, whose archives are as expansive as they are underutilized, records the opinions from different republics in a frequently more revealing way than discussions in the government or the party. The Alliance studied issues and produced unusually evidence-based analysis.

The conveyor belt inheritance from Leninism never disappeared from the public sector, and so each republic had very similar specialized committees within their executive branch and the communist party. Yet, despite the similarity in administrative structures, the local elites used them quite differently and, not surprisingly, with significantly differing results. The same republic-based-level institutions did devise and implement very different policies, as the contrast between the activities of the Émigré Heritage Foundations in Slovenia, Croatia and Serbia amply demonstrates in Chapter 5.

Republics and provinces, or entities, gained political importance at the expense of the federal civilian institutions, a process that reformers succeeding in making difficult to reverse after the passage of 1971 amendments to the 1963 Constitution. Available evidence for the role of the Yugoslav People’s Army (Jugoslovenska narodna armija, JNA) party organization does not permit braving a similarly broad generalization. Before the vast JNA archives become accessible, this critical element of the Yugoslav experiment will retain its sphinx status.\textsuperscript{24} Municipal and regional party organizations also have a substantial role in decision-making, for example determining and collecting personal income taxes. The dearth of research on these presents a major challenge especially in the period after the 1971 amendments, a point evident both in the role of municipal Labor Bureaus in placing workers in Western firms and in the role of municipal party cells in purging liberals (Chapter 5 and 6).

Unraveling the intent of those producing the analyzed documents requires imagination, especially determining where and how much willful distortion merges with information. The acuteness of self-censorship complicates sources from socialist countries, and consequently the arguments presented below delineate the changes in official explanations and of the terms of the debate, and bracket out a discussion of intentions and related topics. The value of analyzing long, often tedious discussions is precisely in highlighting what, if any, policy alternatives they outlined, the criteria used to judge the alternatives, and the reasons they give for recommending a particular option to the principle decision-making body, the Yugoslav Central Committee. Since the discussions were official but not public, it is possible to glean the lower and upper boundaries of ideologically dissent; whatever the publicly espoused ideological messages, the records demonstrate how fungible the constitutive elements of that message in fact were.

John Stuart Mill’s method of agreement broadly informed the research design (}
The emergence in the late 1950s and rise to power between 1967 and 1968 of a reformist coalition of elites requires explanation, like the eventual and varied spread of capitalism across German lands in the aftermath of Napoleonic-era occupation.\textsuperscript{25} Despite the well known socioeconomic differences as well as those in political culture between fully literate and ethnically homogeneous Slovenia to ethno-religiously diverse Macedonia, leading elites from Slovenia, Croatia, Serbia and Macedonia supported reforms throughout the 1960s and were subsequently purged by and replaced with more hardline leaders.
Chapter 1: “To take measures to prevent civil war”: The Start of the Purge of Liberal Reformers in Karadjordjevo (30 November to 1 December 1971)

The Introduction outlines how a particular type of World War Two insurgency shaped Yugoslavia’s unique geopolitical position during the Cold War and, in turn, how these two factors, insurgency and geopolitics, shaped the emergence of a distinct sub-type of socialism, self-management, which itself was a major innovation of an erstwhile semi-peripheral power. Self-management remained inseparable from the prior commitment of Partisan (not just communist) elites to decentralization and thus the 1960s economic reforms emerged from an environment imbued with a Yugoslav approach to the withering away of the federal state.  

To tell the story of economic reforms, it is necessary to understand both Yugoslavia’s peculiar national question and the political practices characteristic of Titoism. Elites continually engaged in triangulating, or balancing between three macro-level factors. A commitment of all political elites to rapid industrialization defined their approach to the economy. The ruling elites’ belief in a revolutionary party limited what counted as acceptable in the political sphere, while the ethno-religious diversity inherited from failed nation building during the royalist regime structured the elites’ approach to social issues. Those political elites saw the three factors as both intimately interconnected and mutually distinct, and thus as de facto co-equal, is a finding of this study that distinguishes it from the many excellent studies of the Yugoslav experiment.

Thinking in terms of balancing roughly co-equal elements presents a novel interpretation of how it was that negotiations about the meaning of Yugoslavia persisted from the 1940s to the 1990s, while thinking in terms of the Partisan, or AVNOJ bargain suggests why renegotiating the character of Yugoslavia remained a policy alternative in the first place. The argument of this chapter is that the Titoist regime could accommodate the reform of one or at most two areas simultaneously. Attempts to deal with all three together provoked systemic internal crises. By the early 1960s, the regime’s openness, to the West, the Soviet sphere, the non-aligned, made balancing more difficult – more resources to balance (loans, Fulbrights, embassy postings) than closed regimes – yet distinctly domestic, indeed parochial factor increased the volatility of balancing. The inability to have a stable role of the eponymous nationality made balancing look like triangulation in Yugoslavia, and external disruptions easily turned balancing into a triple bind. In the Soviet Union and Czechoslovakia, elites had fewer resources to distribute, a process further simplified by the unambiguous place of titular nationality in distributive debates: Soviets had no official claims and Czechoslovakia had no titular nationality. The frequency of incremental reform in one or two areas suggests why the system was volatile and why major reforms in two or in all three parts lead to a “reset” of the Yugoslav socialist operating system.

Revisiting a landmark meeting between Tito and Croatia’s leadership in December 1971 serves to underline the high stakes of the economic reforms – the viability of the common state – and why several generations of socialist elites across Yugoslavia, and perhaps especially elites from Croatia, grappled so sedulously and so unsuccessfully with the balancing act. In his closing remarks, Tito observed that Croatia’s leadership acquiesced to the rise of chauvinism after the January 1970 Tenth Plenum of the Central Committee, which in turn raised the specter of civil war. “If we were to start with mass arrests [“hajka”], we would stoke flames, because the psychosis of the masses is fired up to such an extent that any inappropriate step on our part
would lead to a very difficult situation. What do we have then? Either we have a civil war, which is a very dangerous matter, or we would have to take measures to prevent a civil war. And you all know what that means, which kind of measures would have to be taken.” (Vol2: 312-313) The recurrence of internecine violence existed as a discernible scenario. Domestic and foreign media passed on the message.28

“The Executive Council does not function normally”: The Meeting as a Micro-History of the Political Economy of Mistrust among Elites

The drama unfolded in an auspicious setting. In the royal hunting resort of Karadjordjevo, located on the border between Vojvodina and Croatia, Tito presided over the Twenty First Session of the Presidency of the League of Communists of Yugoslavia. During the two-day Session (1-2 December 1971), he severely criticized Savka Dabčević-Kučar and Miko Tripalo, respectively the President and the Secretary of the League of Communists of Croatia, as well as their high-ranking allies. Collectively, they had failed to accurately perceive and effectively counter the spread of nationalism and other ideas fundamentally incompatible with socialism.29

Tito’s opening set the tone, and underlined his role as both judge and prosecutor, as a ruler concerned about his ability to govern his country. “I’ve called you all here so we can investigate a bit the political situation that exists in Croatia” (Vol1: 2).30 The language of intrigue suffused the statements – constant references were made to enemy activity, never fully identified but with a “hard core” (“tvrdo jezgro”) – as did the language of reform. An air of uncertainty prevailed that was uncharacteristic for otherwise formulaic party meetings.31 For instance, after Tito opened the floor for debate, there was some trepidation as to who should speak first: proponents of economic reforms, led by Dr. Savka Dabčević-Kučar, a development economist from a comfortable Dalmatian family; or their opponents, led by Milka Planinc, a noted Partisan from the poor Dalmatian hinterland.32 Jure Bilić, an ally of Milka Planinc, bluntly stated, “Savka Dabčević-Kučar is the most responsible of all of us.” (Vol1: 3)

Dabčević-Kučar began by asserting that recently there had been both positive and negative developments. On the positive side, she noted the voting in June for constitutional Amendments (which ushered in fiscal federalism) and foreign policy successes (Tito’s visit to President Richard Nixon in October) and on the negative side “unresolved social and economic questions.”(Vol1: 3) Croatia’s leadership, she continued, had raised these unresolved issues for years, issues that were not “Croatia’s narrow interest but are rather class interests.” Yet she listed only economic grievances, “the foreign currency and foreign trade regimes” and the “question of our labor migrants abroad,” all questions for which “there is insufficient understanding, but that have a huge political effect.” (Vol1: 6)

Dabčević-Kučar invoked the foreign currency regime as a reason why “enemy activity” attracted such mass support, and Tito responded with a frustrated outburst:

Dabčević-Kučar: I would like to distance myself from a certain thesis that some of our slogans regarding the foreign currency regime enabled the outburst of this [nationalist activity]. I think that this thesis can be overturned. I think if we are speaking about why the [Croatian] masses could be mobilized around the currency regime, then this is in the first place…

Tito: Well, they are not [mobilized] about the currency regime.
Dabčević-Kučar: They are, comrade Tito, the vast majority [is]. Not those who are the organizers [of anti-regime activity]… But those masses of students, those hundreds of people who participated…

Tito: They don’t know what a foreign currency regime is and what it’s about. Few of them know. Those masses don’t know. (Vol1: 10)

The opening exchange captured the delicacy of balancing between economic, national and political spheres. Unnamed critics of the regime (authoritarian politics) had maliciously stoked ethnically based grievances (national question) by criticizing the currency regime quotas (economic issues). What made this constellation peculiarly Yugoslav is that all three issues appeared more pronounced here than elsewhere in the Soviet sphere -- the pseudo-competitive politics, the sphinx-like national question, and the desire for fairer distribution of foreign currency among republics. In neighboring socialist regimes, Soviet-styled party discipline narrowed the terms of contentious debate, “population exchange” settled many potential ethnically based disputes, and the Council for Mutual Economic Assistance established and enforced bargaining norms.  

Milka Planinc, a Tito-loyalist who would take Savka Dabčević-Kučar’s job within weeks, now reframed the debate entirely. She asserted that unanimity existed about Croatia’s party platform but that “deep differences exist amongst us about the implementation of the party’s course, in its operational implementation, and to such an extent that there is a question of how people interpret and see the party’s course.” (Vol1:18) Planinc presented the disagreement by using a rhetorical structure that may be called -- parallelism. Parallelism involved two components, essentially presented as co-equal or at least as similar in importance. In this case, these components are unitarism, associated with Serbia’s political culture, and nationalism, associated with Croatia’s. Planinc asserted that party unity existed about fighting unitarism, but disagreement existed about the “attitude and position towards nationalism in Croatia.” (Vol1:18) The implication was that fighting one also requires fighting the other; to fight only unitarism or only nationalism was to risk allegations of “politically incorrectness” within the Titoist political system. That fighting one necessitated fighting the other became a point of increasing disagreement during the meeting – indeed, during the country’s existence.

Just listening to the first few lines revealed both the differences between the two leaders and how embedded the speakers appeared in the balancing framework. For her part, Milka Planic’s focus on the party and national issues implied that reformers had stressed economic issues like the currency regime so much that their approach placed party unity and fighting against nationalism in a de facto subordinate place. Dabčević-Kučar, by contrast, structured her statement in the exactly opposite way. She focused on economic grievances and not on nationalism or the party. What they shared, however, revealed that neither proposed a novel framework and both agreed that an imbalance between the three elements implied instability.  

In Planic’s view, the dispute within the Executive Committee would have dire implications. The difference between the two camps with regard to the implementation of the party platform “creates an illusion that Croatia can find a better place to develop in some alternative [arrangement] outside Yugoslavia.” (Vol1:19) Planinc concluded with as much concreteness as Dabčević-Kučar spoke about the foreign currency regime that the Executive Council of Croatia’s party “does not function normally.”

Within the first hour, then, the two most powerful women on Yugoslavia’s political scene drew the fault lines along which they distinguished themselves. In fact, their opening statements
comprise the first of roughly four cycles of argument and counter-argument that took place during the meeting. In the second cycle, with as many as six speakers, Planinc’s supporters dominated. In the third cycle, five leading reformers responded to the criticism laid out by Planinc and one of the more ideological speakers, Josip Vrhovec. During the fourth cycle, Dabčević-Kučar’s number two and “ideas man,” Miko Tripalo, delivered closing arguments for the reformers while the most powerful politician in Croatia, Vladimir Bakarić, spoke largely, though not entirely, in support of Planinc, and so de facto delivered the opponents’ summation.

Table 3 captures the back and forth. The key talking points of the participants outlined below, and especially Tito’s closing remarks, showed in condensed form what had not worked in the Yugoslav system and, a point deserving more scholarly attention, how the very form of political communication had made talking about the systemic issues more difficult.

“Economic grievances have political repercussions”: Foreign Currency as a Symbol of Economic Grievances and the Balancing in Economic Policy

Josip Vrhovec spoke immediately after Milka Planinc and elaborated the Serbian unitarism-Croatian nationalism parallelism introduced by Planinc. Steadfast commitment existed in the party about battling Stalinism and etatism, he asserted, both considered epiphenomena of unitarism, according to official ideology. At the same time, “people felt uncomfortable posing the question of nationalism, because they wanted to avoid being asked: hey, and what about unitarism?” If a critique of nationalism simultaneously requires a critique of unitarism, and vice versa, he concluded, then “there is no solution” (Vo1:37).

As if in a screenplay, the next speaker, the reformer Pero Pirker, Secretary of the Executive Council of Croatia’s Central Committee (the number three) connected explicitly the rise in separatist sentiments in Croatia to the continued existence of centralism and unitarism in the federal (Serb-dominated) apparatus. Despite a series of reforms, which included party reforms in 1964 and increased fiscal sovereignty for the republics after 1968, he argued that unitarism survived in the form of a powerful network created by Aleksandar Ranković, the quintessential Serb unitarist who hectored as intelligence czar from World War II until he was finally shunted aside in 1966. Implicitly, the persistence of the network fueled popular grievances in Croatia, and across the country, and obstructed further reforms.

Pirker offered a triad of popular beliefs that had fueled nationalism in Croatia: “First, the expropriation [‘opljačkanost’] of Croatia within Yugoslavia. Second, the [political] existence of Croatia within Yugoslavia. And third, the question of our workers migrating abroad.” (Vo1:61)

Nationalist lowbrow popular beliefs (not elite, highbrow ones) held that economic exploitation occurred due to Croatia’s political union with other parts of Yugoslavia. To translate into the triangulation framework, he was saying that unfavorable political arrangements (the common state) led to unfavorable economic circumstances (Croatia’s exploitation within the common state that led to economic out-migration) and these political-economic beliefs resulted in unfavorable social phenomena (nationalism). Therefore, ameliorative action to stem nationalism required ameliorative action in the economic sphere as well as the political sphere. Pirker hastened to add that the lowbrow opinions had not received “broad resonance among the people” (“širok odjek u narodu”), indeed “among the masses, there is no increase of anti-Serbian sentiment.” This sinuous approach to interethnic tensions stood in tension to Pirker’s next assertion that Croatia’s leadership had “never posed as a national question” the unfavorable foreign currency regime. “I spoke several times at the [party] plenum that I do not think that the
problem of raw materials in Bosnia is a Bosnian question, nor agriculture a Serbian one (because of Vojvodina), just as the foreign currency regime is not a Croatian question although it does have huge political repercussions on it [the Croatian national question].” (Vol1:69)

This synthetic statement opens a window onto the Yugoslav, as opposed to the somehow peculiarly Croat, nature of the triple bind. Pirker underlined the danger of framing discussions about distributive consequences of policy choices in ethnic or national terms. Price controls on ore and timber located in Bosnia unquestionably powered Yugoslavia’s economic development, as had those imposed on grains from agriculturally fertile Vojvodina. Similarly, rapid growth required administrative controls on foreign currency earned by the burgeoning tourist industry and shipyards along the hundreds of kilometers of pristine Adriatic coast. Arguably, the cheap grains from agricultural regions and raw materials from the interior facilitated, in the short term, the building of infrastructure on an undeveloped coastline. Arguments for cross-regional subsidization presume that some formula existed for the distribution of earnings (surpluses) from subsidized investments, but no such agreement existed nor could it without a workable institutional mechanism like the European Coal and Steel Community or even its highly flowed Soviet replica, Comecon. And this Yugoslavia lacked. Indeed, as the chapter on reforms shows, rather than building cooperative institutions, the reformers cooperated on decentralizing existing institutions.

Pirker concluded with an intrigue-laden observation that somehow it happened that once the currency regime come to the top of the federal regime’s agenda, nationalist outbursts in Croatia weakened its elite’s negotiating position within the federation (Vol1: 81-82) – the work presumably of the Ranković security network. In other words, he attempted to distract from, indeed deny national interest by posing as a proponent of proper Titoist principle. Using strategically indirect speech, Pirker insinuated that separatism had an essentially reactive nature, compared with the essentially proactive nature of unitarism, one questionable commonplace that complicated balancing. As a rhetorical device, parallelism all but begged the question, “who started it this time? unitarism or separatism?,” a question that hung in the air throughout the meeting and the purges, and, indeed, throughout socialist Yugoslavia’s existence. To sum up the second round, the grievances about the currency regime raised the question of who ought to benefit and how much within the body politic, a question for which the gathered elites had neither a stock ideological answer nor a working political agreement.

“Enumeration” in Enterprises: Balancing in National Policy

As Pero Pirker connected economic and national questions, succeeding speakers, especially Dragutin Haramija and Jure Bilić, the key reformer to tergiversate, built more forceful and detailed expositions of the economic character of grievances that Pirker outlined in the second of four cycles of argument and counterargument. The responses from opponents, including development economist and probably most powerful ethnic Serb in the leadership, Dr. Dušan Dragosavac, sounded comparatively guarded.

Dragutin Haramija, the President of the Croatia’s Government, proffered additional evidence justifying the grievances that Savka Dabčević-Kučar introduced. While Croatia had its own underdeveloped regions, it was forced to transfer funds to underdeveloped regions across Yugoslavia and aid earthquake recovery in Banja Luka, Bosnia, and cover a large share of the federal budget deficit (Vol1: 107-8). To the reformers from Croatia, the need for what Haramija dubbed in his presentation as the “homogenization of Croatia,” the equalization of wealth levels
across regions and municipalities surpassed the needs to homogenize Yugoslavia socio-economically. In Croatia, Serbs tended to live in poorer regions (including the littoral region of the former Habsburg Militärgrenze, the short lived Napoleonic Illyrian Province of the Military Border), and thus “homogenization” promised development financing of the kind that the federal regime provided to officially designated poorer republics (Bosnia, Montenegro, Macedonia) and especially to Kosovo.

Haramija, like many liberals and all hardliners, believed in the use of economic instruments, including subsidies, as a way to lessen national tensions. The reasoning, implicitly spelled out February 1971 discussion of the five year plan in Knin, if living standards in predominantly Serb areas improved, this would weaken a major reason for Serbs to “capture” the administrative apparatus and in turn, a major grievance of the ethnic Croatian majority would be weakened as well. However, to harmonize Croatia implied abrogating harmonization of Yugoslavia. If Croatia made more transfers to its poor regions, the (even) poorer recipients like Macedonia and Kosovo might receive fewer transfers, which would exacerbate the national tensions from the point of view of the federal regime.

Almost in passing, Haramija noted that Croatia could be more present on the Yugoslav market, “granted, this could be our fault”, thus revealing that Croatia’s elite had choices and could have made different ones (Vol1: 109). However, for Haramija and other liberals, more important than this or other policy choices made in Croatia, was the fact that federal authorities controlled financial capital and ignored Croatia’s needs. “We do not have enough capital,” he said, “which is concentrated in one area [i.e., Belgrade] due to the organization of federal banks. We do not have [federal] funds for underdeveloped regions like other republics have. But, we do have a surplus of foreign currency while the currency regime stays the same.” (Vol1: 109)

Premier Haramija concluded that federal policies, the currency regime in particular, made Croatia’s elite’s fight against nationalism “very hard to lead” (Vol1: 110). The statement provided another example of triangulation: discriminatory federal economic policies hindered the struggle of Croatia’s political elites against ethnic nationalism.

Here Tito, in a major concession to the reformers, agreed that the currency regime required reform. The federal financial bureaucracy adjusted foreign currency retention quotas for republics starting in 1972, a fact largely glossed over in the literature and in popular memory. In the same breath, however, Tito insisted that restraining outbursts of nationalism required an immediate political response, “ideological action” and, more ominously, coercive measures (Vol1: 117).

Immediately after Tito’s interruption, the longest in the entire 20-hour meeting, the touchiest issue surfaced. As if in a play, a big concession or victory for one side – the currency regime for reformers – required a reciprocal response by the other side. Hard-liner Milutin Baltić, leader of Croatia’s Alliance of Syndicates (Savez sindikata, the umbrella organization controlling all labor unions), warned about the reopening of the national question. As the rhetorical practice of parallelism demanded, this ethnic Serb criticized first Serbian nationalism, singling out a safe target in the journal Prosvjeta (Enlightenment), and continued by asserting that Croatian nationalism threatened socialism. Proposals such as those allegedly floated in the Sisak oil refinery, that the ethnic make-up of enterprises must equal the ethnic structure of the community in which the enterprise was housed amounted to “dividing workers according to nationality and creating national majorities and minorities.” Baltić warned that pushing the principle of “national organizing of Croats and Serbs,” within individual enterprises,
as a few ostentatious proposals stipulated, “would liquidate the class basis on which the party
and the syndicate can organize.”

While Baltić acknowledged that enumeration (“prebrojavanje”) along ethnic lines had not
taken place, it had not only because he and leaders like Vladimir Bakarić had taken timely
action. (Sjeca: 75) If Dragutin Haramija, the previous reformist speaker, had just stressed that the
bind functioned on the level of the federation, his hard line opponent, Milutin Baltić, now
showed how it worked in Croatia: right-thinking political elites intervened to prevent ethnically-
based outbursts based on mass misperceptions about Croatia’s economic exploitation. In
rejecting the practice of enumeration but focusing on it as an imminent threat, he had in effect
said, “don’t think of an elephant.”49 As soon he could, Pero Pirker made the rejoinder that “the
tendency” for enumeration existed in only two factories, and proposals for an enterprise ethnic
cultural organization “Matica” only in the Sisak refinery and one other enterprise in Metković-
Ploče. At the same time, the entire reformist leadership decried such practices. In also negating
the enumeration framework, rather than replacing it with a different one, the reformist leader also
effectively said, “Don’t think of an elephant.” (Sjeca: 83)

Tito called for a break immediately after Milutin Baltić concluded. The main, if not the only,
ethnic Serb among the top reformers, Srećko Bijelić, the head of the Croatian party’s powerful
Zagreb City Committee, spoke next, and he was the only speaker to start with a joke, a joke that
fell flat. Bringing to the table the issue of “enumeration” and media attacks on its vocal opponent
presiding over the labor unions, Milutin Baltić had defined the third round of argument and
counter-argument. Ideologically charged “tendencies,” a term ubiquitous in debates, had a life of
their own, as Marc Bloch famously observed about rumors during World War I.50 Once
expressed, the gravity of the debate remained on the negative tendencies. Said tendencies
eclipsed other issues, not least ideological reasoning why a balance between employment and
ethnic structure amounted to enumeration as opposed to an expected outcome in a society
supposedly based on an equal right to employment. Tito returned to this point in his closing
remarks after Miko Tripalo, a lawyer and number two in Croatia’s party, delivered the last,
fourth round of arguments for reforms.

Like the grievance with the currency regime in the second round of arguments, the alleged
preferential employment policies in large, strategic state enterprises raised the question of
equitable distribution within the body politic, a question that elites had not adequately answered
during the liberal period.

“We would have to take measures to prevent civil war”: The Politics of Balancing

Miko Tripalo summarized the reformers’ case around 2:00am. He needed to square so much
empirical evidence with so many principles that his speech ran over 50 pages (Figure 3 gives the
length in lines of text). The federation “does not hear” (“nema sluha”) adequately concerns from
Croatia. Like Savka Đabićević-Kučar, who introduced economic grievances as the frame for the
reformers agenda, Tripalo listed perceived unjust economic practices. “Croatia participated in
[received] the disbursement of all World Bank loans [given to Yugoslavia] between 1965 and
1970 with just 10% [of the total]; from the $160 million credit from the USSR Croatia did not
receive a single dollar,” a desultory confirmation of the mixed blessing of being a geopolitical
wedge. The federation had “not heard” the problem of “émigré workers, the [export subsidies
from] the fund for crediting the export of machinery and ships, or the currency regime.” (Vol2:
255) More clearly than other reformers and with benchmark “message discipline,” Tripalo
explicitly connected class and nation, in part because he intellectually helped devise the formulation. In doing so he revealed the reformers’ attempt to tinker with triangulation but that the innovation led made a triple bind. “Class and nation [are] in our circumstances an integral part [“sastavni deo”] of a revolutionary socialist transformation and cannot be taken off the agenda. In Croatia, nationalists cannot be beaten back if the national question is not recognized and given due consideration [“potcenjivalo”].” (Vol2: 256-257) If class and nation morph, then triangulation ceased – a triad became a dyad, the economic-social and the political, a position that Tito clearly rejected in his closing speech. (The attempt receives more attention in the succeeding section.) His statements here sufficiently demonstrate that Tripalo modified the Leninist adage about “national in form, socialist in content” by arguing for a kind of unity of class and nation.51

To defend the proposed innovation, Tripalo first asserted that the many positive changes brought by the 1971 constitutional amendments were more significant than “excesses and negative phenomena.” Tripalo explicitly included enumeration among the negative phenomena and indirectly accounted for the urge to enumerate as a way to redress discriminatory employment practices. “It is a fact that we cut off enumeration of the negative type that has been discussed here, and that we have taken a critical stance towards the creation of Croatian Heritage Foundation (Matica Hrvatska) cells in enterprises and that it was not constituted there [in firms]. But it is also a fact that we slowly and inefficiently correct the unfavorable national makeup in those [state] organs in which we have come to an agreement about and in which Croats are in an unfavorable position,” a reference to the ethnic make-up of the diplomatic and security apparatus. (Vol2: 257) Tito, who began delivering his remarks after 3:00am, a noteworthy feat for an octogenarian, returned to Tripalo’s parallelism.

Tito began by asserting that the meeting had not kept its focus. “We have mixed up many issues here today: the [constitutional] amendments, the foreign currency regime, the bank system, the re-exporting firms. And I did not want these on the agenda. I wanted us to speak purely about party matters.” (Vol2: 307). Tito wanted to focus on the party (political part of triangulation) and yet the discussion turned to the currency regime (economic part) and enumeration (national part). His initial decision to run the meeting without an agenda seemed to have pushed him into what seemed unusually candid conversation.

At its core, Miko Tripalo’s proposal, Tito correctly noted, reopened an issue supposedly settled by the socialist revolution, namely whether the proletariat exercised sovereignty as a class or as national groups.52 He began by chastising the reformers for working towards a “classical state,” and invoked the medieval King Tomislav, considered Croatia’s first king, crowned in 925. I would like to hear from you what kind of sovereignty and what kind of state you want. What kind should it be? Should it be a classical state of King Tomislav… or should it be a socialist community of the workers, producers, a community of self-management? If you always put the Croatian nation in the foreground, you make the others, basically, limpets of that nation [“prilepci te nacije”], then you have formulated matters very poorly. In fact, Croatia is a socialist community of working people, a community of self-managers. Understood this way, the national character and the leading role of the Croatian nation is not negated, since this [the leading role] is why it is called Croatia. (Vol2: 310)53

Tito’s reasoning showed how co-equal he considered the economic, social and political spheres. Workers exercised sovereignty, and the party guaranteed that their cultural identity evolved within “their” republic into a “community of self-managers.” The ethnic homelands existed and
the party protected them on the transformative trajectory to self-managing socialism, a point developed further below.

Tito attacked Miko Tripalo in particular – and no one else to the same extent, not even Savka Dabčević-Kučar -- for his support of the maspok (“mass movement”) of the Croatian Spring.\(^5^4\) Tito referred caustically to Tripalo’s speeches in support of maspok when a mass social organization already existed, the Socialist Alliance of Croatia headed by one of the earlier reformist speakers, Stjepan Ivić. “Has comrade Tripalo considered,” Tito asked, “the implications [of his support for the maspok]? I recall how a mass movement came about in Italy, with Mussolini, and I remember how a mass movement came about in Germany. Then I say to myself: by God, what kind of name would this mass movement get: national-socialism would then become a Yugoslav movement. I don’t think that you [Miko Tripalo] have been thinking in these terms, far from it, but the mass movement raises such associations.”\(^5^5\) (Vol2: 312-313)

Framing the argument with a hectoring dose of hyperbole, Tito was arguing that the mass movement could lead towards unacceptable nationalism and unacceptable socialism, and thus he squarely rejected a potential accommodation between the economic and the social, that is, national, aspects of the triad. The two had to remain separate within a common state where no single socio-cultural community occupied a “leading role.”

Before ending his speech with a call for purging the party (“isključivanje”) on a large scale throughout the country, Tito brought home the danger of nation-centered socialism with the example of enumeration.\(^5^6\) Involving Yugoslavia’s international standing, he observed that “we will again gain recognition that we can solve even the most difficult problems independently.” (Vol2: 316) Yugoslavia’s openness distinguished it from the Soviet sphere. Though Tito had just admonished the use of parallelism (putting unitarism and chauvinism on “scales”), he too made use of the engrained rhetorical technique. He would not permit austerity measures in Serbia that decreased workers’ wages.\(^5^7\) (Vol2: 324) Similarly, this concern for the working class explained why Tito felt – he, too, expressed feelings – “embittered” (“ogrčen”) when he had heard that enumeration started in Croatia. “This is a unique instance (“unikum”) of enumeration starting among the workers. But they do not think much about this because they are after all internationalists according to their status. They do not negate their national belonging, but they admit that they belong more to the working class as a whole.”\(^5^8\) (Vol2: 324) The statement captured the triple bind, or how interrelated, indeed inseparable political decisions about economic issues remained with national issues.

He concluded with an ideologically appropriate example of bargaining that demonstrated how he saw the triple bind operating. He kicked-off with a hypothetical factory in which Serbs, Croats, Kosovars and Slovenes worked. “If there are too few Croats,” he said, “when you take new workers you should take more Croats. No one will begrudge you this. Or, if you prefer, take those who are better qualified. But do not go down the path of enumeration, that is do not allow anyone to do this. It should absolutely be stopped.” (Vol2: 324-325) As with the currency grievance expressed by Savka Dabčević-Kučar, the discriminatory hiring in state firms protested by Pero Pirker and the inadequate apportionment of World Bank loans that concerned Miko Tripalo, the issue of how politicians decide about just distribution hung in the air. Using a didactic example, Tito invoked a Marxist conception of time wedded to Yugoslav conditions. History moved forward, not cyclically, as the grievances of reformers intimated (the royalist regime exploited and the practices persisted under socialism), and certainly not backwards, as reactionary bourgeois political elites urged. In questions of interest to the working class – and only of the working class, the historically privileged class – redressing unsuccessful policies
from the past should be done with future preferential treatment, be it redressing preferential hiring on an ascriptive basis, such as ethnicity, or prescriptive basis, such as education. In the example he suggested, republic-based elites, not federal ones or ever Tito himself, directed economic policy (the factory and its hiring policy) in their republics, a major point of apparent convergence between Tito and reformist thinking discussed further in the chapter on varieties of liberalism.

Taken together, Tito’s injunctions on who exercised sovereignty and on the hypothetical factory showed that co-equality had a lintel-like role in official ideology; it held the weight of the structure above the doors. While various scholars described the sharp discrepancy between theory and practice, the dearth of archival sources makes it difficult to form a picture of how elites saw a successful actualization of their work. Statements like the ones above offered a rare glimpse. For one thing, Tito’s statement on sovereignty recalled Stalin’s formulation about the leading role of the Russians after World War Two within the Soviet Union, with the difference that Tito outlined a limited a leading role that existed at the level of the republic, not of the federation, and, as in the other socialist federations, a proletarian identity eventually took precedent, regionally and federally.

For another thing, Tito seemed committed to an idealized, perhaps utopian political-economic community of self-managers who worked harmoniously in a factory. The ideal, “historically progressive” Yugoslavia functioned as a federation with republics, all of which were co-equals – provinces seemed conspicuously absent in the discussion. Similarly, within such republics, territorial constructions with an immanent element rather than temporary constructions on the path to a communist society, republics constituent nations existed as co-equal socio-cultural communities. While national sentiments were part of workers’ identity of workers, these sentiments belonged to a socio-cultural community that existed below the primary, political-economic community -- proletarians happened to reside in Croatia, as opposed to Croats who happened to be proletarians. In population and party censuses alike, nationality had increasingly been “expressed” (“nacionalna opredeljenost”), rather than fixed at birth; as the next chapter shows, nationality morphed into national expression by 1968. Each republic thus had, or in time would have, a national group (socio-cultural community) with a “leading role” in the short and medium term, while in the long term the proletariat had such a role.

For another thing still, Tito’s hypothetical factory, Yugoslavia distinguished itself from the Soviet Union. No nation officially had a “leading role” at any point during the socialist period or, arguably more problematic, during World War II. As in the USSR, official titular nationalities occupied a pseudo-special place in their republics, all carrying their names, Serbs in Serbia, Croats in Croatia, Slovenes in Slovenia, and, eventually, Bosnians in Bosnia, but unlike Russians and Czechs, Serbs officially had no special role in socialist Yugoslavia at any point. The republics had, or would have, more “primordial” titular nationalities – all equal, and thus no one constituted a “limpet” -- the common state would have a more “constructed,” even “anational” titular nation, the Yugoslavs. Republics expressed in the short and medium term the Geist of socio-cultural communities alongside the historically more relevant political-economic Geist that the common state expressed as a “community of self-managers.”

The chimera factory, evoked in the dawn hours by Tito presents a point of departure for the next chapter. The co-equality of the three factors implicit in the conceptualization – local cadres weight what mix of human capital and national identity of work force leads fastest to self-management -- had a substantive aspect beyond than of merely pragmatic adaptation. Party organization expressed more clearly than republics this distinguishing aspect of Yugoslavia’s
federalism. Whereas Russia and the Czech Republic belonged to the Soviet and Czechoslovak party. Serbia’s party had, officially at any rate, an identical place as Slovenia’s, Croatia’s and the party branches of all the other republics. The party safeguarded the passage from one set of community ties, the national and socio-cultural ones, to another set of communities based on socialist self-management and political-economic identity. History dictated the trajectory and assured that Great Serbian chauvinism, Croat separatism and other reactionary forces lacked the capacity to derail the emergence of proletarian or anational Yugoslavs working in a self-managing factory. Circumstances for this transformative passage appeared most propitious in Slovenia – ethno-religiously homogenous, industrious, with elites committed to internal “harmonization” – less so in Croatia, even less so in Serbia (without the two provinces, it would hardly differ from Montenegro, Bosnia, and Macedonia). Yet, a clear path of how to make the other republics more “Slovene” had not been outlined, either during the meeting or in official ideology. The best that Tito offered amounted to a redline vis-à-vis renegotiating past decisions and showed in the process how co-equal he saw the national and the economic aspects (political elites had a choice to hire based on ethnicity or on qualifications). What about future decisions? While the meeting had not yielded an answer to that question, it captured the critical unresolved questions in Yugoslavia, analyzed below more formally.
Chapter 2: “For the class enemy there is no democracy”: Political Economy of Titoism

*Conceptualizing Socioeconomic Modernization via Revolutionary Politics*

An analysis of the closing 20 pages of the stenograph of Tito’s meeting with Croatia’s leadership at Karadjordjevo in 1971, containing largely spontaneous exchanges between the participants as to which steps to undertake next, could easily fill an entire monograph. The lack of consensus between the two sides ended abruptly and with an incomplete, almost incoherent sentence by Tito, “Well, what do we have, let us finish” (“No, na čemu smo, da završimo”). The political equivalent of waiting for Godot received something of a resolution during the all-Yugoslav Presidency meeting poised to start just few hours after that weary outburst. For now, the revealing exchange between Tito and Croatia’s elites pinpointed the difficulties of modernizing an ethnically divided society via revolutionary politics.

Specifically, while the reformers deftly defended their platform, Tito’s concluding statement, delivered close to dawn on 1 December 1971, revealed precisely which consequences of economic reforms he found unacceptable. In increasing level of specificity the consequences included party disunity that allowed republics to build a “classical state” instead of a socialist one, the de facto formation of a political mass movement outside the purview of the League of Communists, and unacceptable nationalist activities, including putting national over class interests in enterprises. For Tito, Croatia’s leadership had all but crossed red lines.

The red lines articulated during the meeting represented an untapped point of entry into the logic of the Yugoslav system, at the very moment when that system had reached what political elites understood as a critical junction and, it turned out, its pinnacle in international prestige as well. Before the regime re-equilibrated via a purge and an upgraded variety of self-management (the 1974 Constitution), a crisis tone pervaded discussions among all political elites. Reformist elites questioned and even challenged critical pillars of the Titoist regime, most visibly the security apparatus (partially decentralized after the 1968 Prague Spring) and, especially relevant for the economic reforms, the financial apparatus (republic-based banks could make financial contracts abroad from 1967).

This chapter presents a conceptual framework that attempts to make sense of the regime’s red lines, as these lines came out during the meeting at Karadjordjevo. With the meeting as a point of departure, the analysis below presents a conceptual framework that will be used for the remainder of the study. One section expands the discussion of enumeration (“prebrojavanje”) heard during the Karadjordjevo meeting in order to present the national sphere. A second section builds on the discussion of clean accounts in order to depict how economic controversies linked to national issues and to the political process marked by a recurrent strategy of ameliorating exploitative policies of central rule with devolution. A third section expands the discussion of the rhetorical practice described as parallelism in order to present the political part of the dryad. The forth, and final section outlines how linked each part of the bind remained to the other parts, or how co-equal the parts remained, and so suggests a mechanism which “tied-up” decision making so much that elites decentralized the federation out of existence.
As in other parts of the Eastern European semi-periphery, post-World War II socialist-led reconstruction required relatively underdeveloped societies to change dramatically their economic base, as well as their inherited social structures and political institutions. In early 1950s Yugoslavia, self-management became the specific approach to economic modernization, brotherhood and unity encapsulated the resolution of the national question, seen by the Partisan-generation elites as the key obstacle to social modernization leading to a classless society, and the Titoist party, independent from Stalin, signified political modernization. All three innovations have historical roots and overlap – indeed, they form something like communicating vessels, a change in one affects changes in the other two. While several generations of Cold War-era scholars provided piercing analysis of all its aspects. Access to archives permits hitherto impossible thick description of the “plumbing” of the Yugoslav system, and so old questions can perhaps receive fuller answers. Understanding the connections between these economic, social and political adaptations of Soviet-inspired blueprints devised by a generation of committed revolutionaries helps explain an arguably more basic problem than why the country dissolved, namely why and how had internal reforms failed repeatedly, indeed cyclically? Explanations for disintegration abound, those for failed reforms remain less prominent.

Brotherhood and unity, self-management and the Titoist party, these three factors adequately represent a worldview based on revolutionary blueprints taken from the Soviet experiment and then adapted to Yugoslavia’s geopolitical reality as a wedge between the Superpowers. In the process, the more rigid and hierarchical Soviet approaches (security dictates economic policy) gave way to more flexible approaches where elites representing local interests bargained among themselves with increasing effect after the Tito-Stalin split. Whatever the precise nature of bargaining among republic-based elites with central authorities and Tito himself, decentralization made that bargaining an institutional feature by the 1971 purge. For instance, the federal government decided about foreign loans while the republics “bid” for them, and co-signed them after 1970; as Miko Tripalo’s statements during the Karadjordjevo meeting underlined, Croatia had bid for, and ought to have received, more than the paltry 10% of World Bank loans it had received.

The bargaining aspect, constrained and unlike horse-trading within a democratic system, nonetheless pointed to why decision-making on economic issues involved greater consideration of competing political interests and national communities that in so-called Soviet replica regimes. Stalinist blueprints “simplified” the national or social sphere in the Soviet Union, so that the regime faced a simpler trade-off in the era prior to the 1973 Oil Crisis – guns to protect proletarians from the imperialist West or butter for Russians or Ukrainians. To outline the distinction between Yugoslavia and the Soviet Union, first a bit on what balancing between economic, political and national interests, or triangulation, means here, second how the regime made adaptations to Stalinist blueprints and third how despite these adaptations the regime, including or especially its reformers, remained committed to socialism.

The balancing act or triangulation takes its cues from the so-called trilemma for open economies to explain the accommodation of dialectical materialism elites supposedly espoused with geopolitical realities that confronted them. For example, in 1949, Milovan Djilas apparently received the inspiration for self-management from leafing thought Karl Marx’s *Capital*, but arms and foodstuffs from the United States protected that experiment. By a loose analogy to the “golden trinity,” or trilemma where only two of three macroeconomic policies can coexist -- monetary policy geared toward domestic goals (low interest rates to spur consumption), free
capital movement into and out of the country, and a fixed exchange rate (stimulating exports with an undervalued currency) – elites in Yugoslavia lacked flexibility to simultaneously set economic priorities, have their variety of political competition and a stable nationality policy.\textsuperscript{62}

The analogy is too loose for a rigorous conceptualization. Yet, a loose analogy nonetheless provides a starting point for a conceptualization. Several socialist official statements expressed a similar conception, for instance Slovenia’s Anton Vatruša in a 1971 \textit{Foreign Affairs} article:

Yugoslavia consists of several nations with long cultural and political traditions and with different levels of development. Under these conditions, various tendencies opposed to self-management can easily disguise themselves in chauvinistic, sectarian or nationalistic attire. Hence any problem of economic development in Yugoslavia has special political connotations; willy-nilly, it is viewed also (and sometimes primarily) from the angle of the equality of the nations which comprise it. This sometimes lends intensive political coloration to discussions of development, prices, taxes, or even of strictly economic matters.\textsuperscript{65}

If orthodox Marxism progressively lost favor as elites agreed on a convertible currency in 1961, it is worth pointing out that in contrast to a Braudelian approach to history, the tragedians assembled in Karadjordjevo had not expressed an opinion that economic revolutions take decades if not centuries, social ones decades and political ones mere years or even shorter.\textsuperscript{64} Revolutionary change – they expressed little interest in incremental progress -- appeared to them possible in each sphere, largely simultaneously, and on a time scale much closer to that associated with politics or diplomacy than to the much longer time scale associated with economic and social change.

The comparisons to the other socialist federations underline that relative co-equality of the three factors hardly meant a tacit or nascent liberal democracy but rather confirmed the ubiquity of simplified Marxian analytical categories (economic, political and social spheres) without Leninist dogmatism.\textsuperscript{65} However, both in published speeches and especially in top-secret stenographs, over-determinism, neat categories and input-output certitudes comprised the exception rather than the rule in the 1960s. Thus, the three components lack the concreteness of the concepts Robert Triffin used in his famous trilemma, the famous “iron triangle” in Washington DC, or the more recent coinage of Rogers Brubaker, “triadic nexus.”\textsuperscript{66}

The hypothesis here is that the Soviets made a trade-off – Bolshevik power in ethnically-based republics but with a limited scope of economic reforms. By contrast, Yugoslavia was outside the protective sphere of Superpowers and the attempt at making a similar trade-off turned balancing into a – bind, where major reforms in one area precipitated a crisis in the other two policy areas. Thus, after failed economic reforms in the 1960s, decentralization followed and, it seems, national communities gained stature at the expense of supranational Yugoslavism, a point revisited in the Conclusion.

One adaptation of Stalinist models concerns the nationality policy, the Partisan war shaped the political practices or politicking with strong local interests, while economic openness required substantial modification of Soviet practices, though never their abandonment as all elites agreed on limits on foreign financial capital. In the economic sphere, openness to the West provided more resources to fight over in Yugoslavia compared to the other federations in the era before the 1973 Oil Shock (subsequent oil and gas rents complicate the story).\textsuperscript{67} In the political sphere, the experience of Partisan struggle and of the first Yugoslavia seemed to have structured the political culture of the second (balancing required a simultaneous criticism of separatism
when hegemonic forces arose, and vice versa), while ambiguity about Yugoslavs amplified, rather than stabilized national controversies. With the national issue settled, the Soviet Union as well as Czechoslovakia focused on the economic and political or security spheres (the trade-off between butter versus guns, to use Paul Samuelson famous depiction of a society’s production possibilities frontier). The succeeding chapters develop all three while the outline below shows the connections between the three.

The Foreign Currency Regime: The Political-Economics of National Grievances

During the Karadjordjevo meeting, Milka Planinc and her supporters dismissed unequivocally the *cris de Coeur* about wealth extraction from Croatia, yet the major concession reformers secured from Tito concerned an unfavorable (read exploitative) apportionment of foreign currency. This section highlights how political elites connected economic grievances to national interests. Unlike the political practices that the party invariably borrowed from the Bolsheviks, as well as nationality policy, economic controversies during socialism dealt with the negative legacy of the royalist common state marked by Serbia’s hegemony. Balancing in the second Yugoslavia proved harder due to the negative experiences from the first, royalist Yugoslavia. After showing the recurring nature of economic controversy about the abuse of the central state apparatus, an abuse that purportedly violated deeply held socialist values like fairness and mutual responsibility (solidarity), socialist elites nonetheless exhibited typical socialist proclivities in the economic sphere, including a disdain for incremental reform and a consequent limited attention to sequencing of reform measures.

Economic controversies, and the institutional experimentation these controversies helped spur, intimately tied relations between political elites from Croatia and from Serbia within the royalist and socialist common states. The key economic tracts tended to surface during critical political junctions – political polemics drove economic ones more than probing economic or policy analysis spurred political controversy. What these economic texts shared was an impassioned answer the question of “who exploited whom,” to borrow from one analysis.  

Although public polemics occurred throughout the interwar period, beginning with the introduction of a single currency, perhaps the best-known exchange occurred in 1939. The royalist regime granted Vlatko Maček a federalizing deal in August 1939 that created within the common state an autonomous territory encompassing most of Croatia-Slavonia, Dalmatia and Herzegovina. Specifically, the 1939 Agreement between Dragiša Cvetković and Dr. Maček began to federalize fiscal arrangements. The Agreement also outlined how Croatia’s political institutions regulated internal arrangements, dramatically evidenced by the restoration of the Ban’s office and an Interior Ministry. Maček asked Dr. Rudolf Bičanić, to produce a position paper chronicling the economic effects on Croatia of twenty years of the common state.

The meticulous and trenchant expose exemplified the phenomenon of the common state as “Serbo-Croatia,” a structure whose inner working was reduced to an uncooperative game between its two largest groups. With the aid of visually gripping maps and charts, Bičanić quantified Croatia’s exploitation in various areas, from investment policy, to its unfavorable treatment for agrarian credits, to virtual exclusion from hiring in the public and state-controlled sectors, including the military. While the prosperity of Croatia-Slavonia relative to “central” Serbia generated substantial tax revenue for the common state, the central apparatus siphoned nearly 47% of revues. The amount represented a “tribute” (“danak”) to centralism. The responses from Belgrade, published serially in the journal *Srpski glas* (Serbian Voice) between
late November 1939 and mid April 1940, mimicked Bićanić’s tone and style – outwardly objective, replete with emotive language and rather than making some concessions, however minor, overwhelmingly unwilling to cite any evidence that might reasonably be used to draw different, less sententious conclusions.

Croatia experienced measurable economic growth and this was due to the common state, and “due to Serbs, who are the main creators of Yugoslavia.” Unlike Bićanić, who recognized in his statistical tables the presence of Macedonians, Bosnian Muslims and divided Serbs into “Srbijanci,” those residing within pre-1912 Serbia, and “prečanski Srbi,” those residing in Vojvodina, Croatia and Bosnia and Herzegovina, most of the respondents in Belgrade’s press had not recognized Macedonians as separate from Serbs and gingerly addressed that “prečanski Srbi” and “Srbijanci” might have competing economic interests. Both the monograph and the responses overwhelmingly dealt with Croats and Serbs and with Croatia and Serbia; the notable absence of other regions, including Slovenia, reduced the common state to “Serbo-Croatia,” a theme discussed below. Grdjić rightly pointed out that Bićanić failed to discuss industrial development, and then cites as evidence of a veritable halcyon era of industrialization amid the Great Depression: the number of industrial workers in Croatia-Slavonia increased three fold within the common state, from some 30,400 in 1912 to some 81,000 in 1938. If ruling elites from Serbia had followed their narrow self-interest, then they would have implemented a free trade regime (allowing for the import of cheaper goods from abroad rather than paying higher prices of Croat- and Slovene-made goods).

Like the better-known case of the Nobel laureate, Ivo Andrić, Rudolf Bićanić’s role as high functionary, or obshchestvenik within the royalist regime had not dampened his reputation within the socialist regime. While foreign authors also commented on the political economy of grievances and “economic nationalism” in the aftermath of Austria-Hungary’s collapse, the focus here remains on the debate within Yugoslavia. This internal debate resumed quickly after the Partisan defeat of “foreign aggressors and domestic traitors.” In the late 1940s, Andrija Hebrang’s infamous, brutal purge perhaps unavoidably gave an added impetus to the economic concerns he had expressed immediately after the war. While he served as economics czar between 1944 and 1946, the Croatian communist articulated a platform carbon copied from the Soviet experience. Only a few economists from Slovenia warned about the “false solidarity” of developing heavy industry in underdeveloped regions, but the exponential increase in industrial employment heralded an industrial take-off: in 1945, there had been some 460,000 workers, in 1947 almost 1,170,000 and 1949 almost 2,000,000. The 1959 Trbovlje miners’ strike in Slovenia, examined in more detail in a later chapter, constituted the first strike in self-management, suggestive evidence that the regime kept labor discipline through the 1950s.

Until the publication of the so-called White Book and Yellow Book in Zagreb and Belgrade in the early 1960s, respectively, the debates remained largely hidden from the public. The Zagreb tome urged for devolution while the Belgrade tome warned about unequal development rates; their publication introduced the cast of characters, above all Jakov Siroković and Kosta Mihajlović, who widened the gap between their positions in subsequent iterations, during the 1980s and after the disintegration of the common state. However, since the end of World War II, only during the opening created by liberals had serious divergent views emerged. During the Croatian Spring (late 1960s-early 1970s), perhaps Marko Veslica and Šime Djodan, expressed concerns quite similar to those expressed by Rudolf Bićanić in the 1930’s Djodan’s July 1971 piece in a literary journal associated with Croatia’s Matica (Beehive), “Evolucija gospodarskog sistema SFRJ i ekonomski položaj Hrvatske,” raised a storm.
Over two-thirds of Šime Djodan’s tract relied on his earlier and well-received work, on the labor theory of value. The last third, however, proved ideologically unacceptable. Marxist-inspired political economy somehow gave way to nationalism. He pinpointed the “total reign of usury” perpetrated by financial institutions centered in Belgrade that, for example, controlled over 80% of foreign currency while those form Zagreb controlled less than 10%. The Karadjordjevo meeting amply demonstrated the federal approach, for instance the “unprincipled agreement” recounted by Vladimir Bakarić, apart from Tito the other veto player present at Karadjordjevo, whereby Croatia got loans for tourism but not a fairer currency regime. Djodan’s policy prescriptions included a focus on devolution, some quite reasonable, such as the break-up of the federal monopoly on air travel, and others in line with liberal norms of republic-based development. Republics ought to finance the building of roads and, by implication, develop “their own” infrastructure.

However, Djodan’s fear for the demographic decline in Croatia, due in part to uncontrolled economic emigration, approached racist thinking about “biological survival” of Croats within the common state. Noting the birthrate in Kosovo served as code for the Albanian “population bomb,” a trope that would animate so much rhetoric in the 1980s national revival in Serbia. Given the place of currency regime in the Karadjordjevo meeting that took place that November, the similarity between Miko Tripalo’s and Djodan’s approach merits attention. After establishing earlier the dominance of Belgrade-based financial capital, Djodan concluded that in purportedly socialist Yugoslavia, a real danger existed for the “usurious exploitation of the working class, and even of entire peoples” – a softer attempt to connect class and nation, as Tripalo would do during the Karadjordjevo meeting, but one that landed its headstrong author in prison.

The recurrent nature of economic controversies underlined the neglected role of burden sharing debates within the common state, royalist and socialist. The controversies provide the context for the liberal strategy of “clean accounts,” what Miko Tripalo defined in the late 1960s as transparency in funds transferred from republics to the federation and vice versa. The back and forth between Belgrade and Zagreb, and the comparative silence of Ljubljana, seemed to reduce Yugoslavia to Serbo-Croatia, and suggested how easily economic matters became politically salient because of their national overtones.

A preference for systemic changes during socialism functioned like an automatic amplifier of economic changes into political and national spheres. Incrementalist policy, almost derisively called “palliative solutions” (“prelazna rešenja”), were a distant second best to purportedly transformative initiatives, even if idealistic Western-trained reformers hatched them instead of Moscow-crash-course-trained planners like Boris Kidrič. The language used showed the elites’ “mentality”: the first ever attempt to create a socialist convertible currency in 1961 became known as the “small” reforms, in contrast to the 1965 “big” reforms (convertible currency, ending price controls, restructuring banking, liberalizing trade). A second practice that thinking in terms of rough co-equality of the factors had not seriously altered was limited attention to the pacing and sequencing of reforms. Self-management quickly replaced quota-based planning with the passage of the 1950 Basic Law on Workers’ Councils, 1965 reforms introduced price decontrol of foodstuffs and basic goods, and 1976 Law on Associated Labor established some 19,000-worker councils. To take the example of the “big reforms,” lifting price controls in 1965 on consumer goods gradually might have reduced the incentives for big retailers to import Western goods en masse. With the example of agricultural products, Branko Horvat, perhaps Yugoslavia’s most prominent economist noted
that “a complete opening up toward the world market that was insufficiently thought out led to the import of products at dumping prices, which seriously checked domestic production (in sugar, denatured alcohol, butter, fruit and other products). The closing of the West European market, along with the simultaneous absence of systemic socially organized aid to exports, perceptibly hindered the marketing of Yugoslav agricultural products. … Finally, after a three-year delay, the state administration took action. In May 1968, protection of domestic agricultural products was again introduced.”

Without regard for incremental change and the attendant potential for learning – like their Soviet sphere counterparts, with few exceptions pilot projects were not a common part of the policy tool box – limited regard existed about which part of the economy ought to be changed first. In Yugoslavia’s case, this amplified political tensions since the Partisan struggle established strong regional interests, as Tito readily acknowledged at Karadjordjevo. As the next chapter shows, liberals from Serbia objected to ship-building subsidies for Croatia in 1970s. A political crisis that followed led to a nearly unprecedented resignation of the Deputy Premier of the Federal Executive, Nikola Miljanić, and raises the issue how politicking worked in Titoism?

“I must bang my fist on the table:” An Authoritarian Form of Consociationalism

The Yugoslav variant of what T. H. Rigby dubbed “crypto-politics” received significant scholarly attention during the Cold War. Compared to its East European counterparts, Yugoslavia engaged sooner and more thoroughly in crypto-politics. While the regime succeeded in mobilizing a large sector of the population, particularly during Soviet interventions in Eastern Europe, the Yugoslav regime, very much like other East European ones, never accepted institutionalization let alone democratization, where legal procedures held the regime accountable and the population expected transparent procedures to constrain it. Federal elites sought to resolve competing national interests through a form of bargaining, characterized as an “authoritarian consociationalism.” Indeed, the strength of local Partisan elites through the 1950s threatened Tito more than popular discontent and, as the chapter on purges shows, the party’s Cadre Commission carefully tracked the ethnic make-up of leading, strategic cadres, chiding republics, Macedonia and Slovenia, that had failed to send a sufficient quota to fill top federal posts.

While the Soviet’s drew comparatively clear red lines to reforms and generally used so-called hard power, Tito’s approach relied comparatively more on soft power after the 1948 split, as the Partisan legacy and wedge status required. Perhaps the best know dissident, Milovan Dijlas, articulated in a series of articles published in the main party daily, Borba, between October 1953 and January 1954, what a prominent typology called “incremental democratization.” His calls for independent workers’ parties led to his purge, yet a broadly similar set of reforms articulated in Hungary in 1956 precipitated a violent Soviet intervention. The liberal period displayed this difference with the Soviet sphere, fitting for an indigenous communist elite that continued cooperating after surviving both an international threat (first Hitler and then Stalin) and, perhaps more important a civil war (Albania’s communists instituted permanent purges among elites).

For example, liberals like Stane Kavčič of Slovenia and Savka Dabčević-Kučar herself all refused to take high federal posts in the late 1960s (thus the relatively smaller effects of the purges on the federal compared to the republic governments). Stated Tito, “I must bang my fist on the table” in order to get republics to send cadres to federal administration during the
Karadjordjevo meeting. Republics had enough “clout” to play politics with the federation and, more importantly, with Tito. Federal elites, though “tied to” republics, received little special treatment. For instance, during the meeting at Karadjordjevo, Miko Tripalo received no deference due to his post in the Yugoslav party Presidency, nor did the hardliner Jure Bilić.

Despite the limited deference to federal authority, the language used during the marathon meeting and all the purge proceedings, full of oblique references to partially unidentified enemies operating opaquely from cells intent on destroying the revolution, firmly places the Yugoslav elite in Leninist practice marked by “speaking Bolshevik.” Bolsheviks accepted responsibility for their errors via public displays of self-criticism. The break with Stalin provided an archetypal episode. Sreten Žujović, a member of the inner-circle with authority close to Andrija Hebrang’s or Edvard Kardelj’s, spent two years in solitary confinement. He received back issues of the official party newspaper, Borba (Struggle) up to the day of his arrest. Žujović apparently then meticulously examined this “evidence,” and ultimately insisted on a public and apparently sincere self-criticism of his support for Stalin in late 1950.

While none of the reformers passed through such an Augean struggle, the majority of reformers confessed to more, the majority of hardliners to less responsibility for the crisis. Only one other person, Vladimir Bakarić, was above expressing responsibility, revealing his power within a political culture dependent on the Bolshevik ethos of self-criticism, an ethos of revolutionary commitment pointedly captured in Tito’s closing remarks in Karadjordjevo: “And the biggest virtue of communists is that, once they recognize their errors, they present them self-critically. This is one characteristic that is absolutely necessary in the League of Communists, and especially in its forums. Because without this type of self-criticism, there cannot be a unified stance.” Tito directly asked the whole Executive Council whether it accepted responsibility close to the end of the meeting, a move that showed the collective nature of leadership within the republics as opposed to a mere “transmission belt” approach from the federal center to republic-based spokes. In their subsequent resignation letters, addressed to Tito personally and published in the party’s daily, Borba (Struggle), the two leading reformers from Croatia, Šavka Dabčević-Kučar and Miko Tripalo, engaged in self-criticism: “We accept this criticism as the most responsible persons in the League of Communists of Croatia. We accept it personally.”

Apart from self-criticism, the other defining feature common to debates concerned the parallel task of battling nationalism and unitarism, a defining characteristic of Yugoslavia’s brand of crypto-politics. The parallel tasks ought to have served as stabilizers but seem to have amplified political tensions, in a similar effect as the absence of incremental reform amplified economic tensions. Just as an ersatz distinction existed between acceptable and unacceptable nationalism, so the attendant linguistic practice involved an ordered and parallel construction: a right-thinking Serb (Croat) comrade first mentioned unacceptable Serbian (Croatian) nationalism and then its Croatian (Serbian) complement. An obvious difference among the three Central Committees during the purge debates does not jumped out between sociolinguistic environments that previously “spoke Habsburg” and those that “spoke Ottoman.” Whatever the regional variation, the federal regime engaged in actions that participants perceived as parallelism. For example, on the same day that alleged ring-leaders of the Croatian Spring had been arrested, 13 January 1971, “ideological actions” had been taken in Belgrade in form of ceasing the publication of books by ideologically questionable authors, Dobrica Ćosić and Nikola Milošević. Rather than stabilize, such parallel ideological action tended to amplify political tensions.
Enumeration: Balkanization as an Unintended Consequence of Ambiguity about Socialist Yugoslavism

After World War II, Soviet satellites “solved” the various national questions more definitively than Yugoslavia largely via some border and substantial population movements and, perhaps most important, by strictly binding renegotiations of the national categorization scheme and the associated schedule of burdens and benefits of belonging to a federal state. As Karadjordjevo showed, Tito feared the consequences of spontaneous enumeration, or counting of workers based on their ethnicity even though the party supposedly solved the national question.

The regime settled successive national questions -- of Macedonians in the 1940s, of Muslims in the 1960s, and, partially, of Albanian’s in the 1970s-- without settling on a stable definition of “who were the Yugoslavs” by Tito’s death. Official notions of Yugoslavs changed significantly over time. Tito’s 1952 dream of a “single nation” like America turned to a more abstract notion of a Yugoslav identity as a “necessary internationalist supplement” to national identities in 1958 (Seventh Congress). While the 1961 census featured Yugoslavs as a category, a debate erupted on its removal during the 1963 Constitution and Yugoslavs retained a strong association with Serbian hegemony during the 1966 purge of Aleksandar Ranković, the security czar. Once Muslims became a nationality with the 1971 census – the 1961 census listed them as a mere ethnicity, the 1953 census as “Yugoslavs undecided” (“Jugosloveni neopredeljeni”) -- the association between Yugoslavs and Muslims ceased. Given the association, only with the 1981 had Yugoslavs become a voluntary identification, and one grouped with those who declined to state their ethnicity or declined to express their nationality (Table 4).

Like in the economic sphere, where openness to the West provided more resources to fight over, and the political sphere, where balancing required a simultaneous criticism of separatism when hegemonic forces arose, and vice versa, the ambiguity about Yugoslavs amplified, rather than stabilized national controversies.

The 1943 AVNOJ decisions that effectively created the second Yugoslavia showed that elites settled on a common state but not a definition of Yugoslavism from which Yugoslavization efforts might have emanated, something that Karadjordjevo meeting underlined with univocal support for Yugoslavia but not of Yugoslavism. From 1943, a tension existed between some sort of unity within a common state and an insistence on separateness of constituent members. The Partisan elites bundled together a guarantee for national self-determination of officially recognized nations and nationalities with the alleged aspiration of all socio-cultural communities for a common state, a tension long recognized by scholars and implicit in the founding slogan, “brotherhood and unity.”

The high-tide of oppositional, or anti-Soviet Yugoslavism receded with the decreased likelihood of Soviet invasion in the early 1950s, finally confirmed by Khrushchev’s and Bulganin’s visit to Belgrade a mere month after the formation of the Warsaw pact in spring 1955. Perhaps the hallmark of this anti-Soviet Yugoslavism had been the so-called 1954 Novi Sad language agreement between regime-approved cultural experts, committed to creating a pluricentric, and much contested common language. The linguistic hybrid from the Yugoslav incubator was officially known as Croato-Serbian and Serbo-Croatian. The establishment of a common language for Croatia, Bosnia and Herzegovina, Serbia and Montenegro did not resolve the issue of a common identity. In 1958, the Seventh Congress of the League of Communists
therefore framed Yugoslavism as “a necessary international supplement to democratic national consciousness.”105

The problem with a spatial criterion for a complementary conception between shared Yugoslav and national identities emerged fully in a debate that took place among literati, the Slovene Dušan Pirjevec and the Serb Dobrica Ćosić in 1961 and 1962.106 Yugoslavism as an international consciousness implied that it did not stop at Yugoslavia’s border, and so Pirjevec intimated that official ideology precluded what might have been called an intermediate identity, a Yugoslav identity beyond the borders of constituent members but not “international,” and thus conceivably expansionist.

The 1963 Constitution saw another contentious debate to do away with the category of Yugoslav altogether. Partisan elites agreed that royalist Yugoslavia exploited non-Serb nationalities, economically and otherwise. While the regime strained to articulate a Yugoslav identity that had not obviated national ones, the purge of security czar, Aleksandar Ranković in 1966 marked a trough where “the condemnation of Ranković gave official credence to those who say any form of Yugoslavism, including socialist Yugoslavism, as the threat of Serbia rule.”107 In these conditions, it makes sense that some Serbs reasserted their—Serbdom. Nonconformists, as a historian recently dubbed them, composed a “proposal for discussion” in 1967 that said as much and, coupled with a national revival in Croatia and studies silence from Slovenia about Yugoslavism, the Novi Sad agreement effectively ended, although the language officially continued to know, and taught as Croato-Serbian and Serbo-Croatian.108 Little wonder that during the 1968 unrest national grievances seemed a larger part of the repertoire in Yugoslavia, especially in Kosovo, than nationally-based grievances had been across Europe.109

Apart from forming an absolute majority in Vojvodina and Serbia proper, Serbs formed an absolute ethnic majority in Bosnia and a quarter of the party in Croatia until the early 1970s. For the liberals, as Latinka Perović, the Secretary of Serbia’s Central Committee, noted in 1971, nationalist views had spread “the illusion about a possibly privileged position of the Serbian nation as the largest one in Yugoslavia,” something that Russians agitated for, she added.110 With the purge of the liberals, fewer cadres existed to counter this type of nationalism, caustically qualified by Perović as a “folklore, tavern” form of nationalism (“folklornom, kafanskom vidu”). One effect of ending reformist included that the regime, in contrast to the royalist regime's clumsy attempts at Yugoslavizing, unintentionally tended to Balkanize the ethno-religiously diverse population.111 Ethnic options won by default even as the regime condemned nationalism with the purges that started in Karadjordjevo since the regime failed to articulate a meaningful agreement on even socialist Yugoslavism. More broadly, without an agreement about Yugoslavs, the circumference of the “circle of ‘we’”, that is, the Staatsvolk remained continually subject to renegotiation. For instance, internal party censuses tracked the “nationality” of members in the 1950s but their “national affiliation” in the early-1970s, and Yugoslavs had no place until 1974.112

In the Soviet and Czechoslovak cases, the fixed number of ethnic communities largely simplified decision-making to two spheres, the political and the economic. The Soviet regime established clearer, if not fairer, ethnic lines that simplified subsequent distributive decision-making. Once the regimes determined which groups officially existed, subsequent decisions about how much groups received in the form of employment, education, housing and so on required less guesswork than the Yugoslav case where the regime intermittently “adjusted” the number of official communities and their meaning. The 1961-1962 debate between Dobrica Ćosić and Dušan Pirjevec underlined this just at the moment when the Nobel Committee
recognized Ivo Andrić’s decidedly Yugoslav opus. While all three federations had nationalities, the problem was more acute in Yugoslavia since a fear remained, as Šime Djođan expressed in 1970 that Yugoslavism amounted essentially to Greater Serbiamism. (Vol1: 202) In other words, just like the regime’s redefinition of property rights after World War II had obvious distributive consequences for owners of factories or large estates, so the regime’s nationality policy had distributive consequences. The political decision to federalize the state during World War Two preceded an elite agreement on, let alone a mass comprehension of “who were the Yugoslavs” -- a status group, an elective affinity, the ethnically “mixed,” some or all of the above? At a minimum, however, a broad definition clearly threatened to encroach on the rights of ethnic groups, while a narrow definition promised to reduce the common state to a customs union, an unacceptable outcome to Tito and many Partisan-era elites.

As the example of Tito’s ideal-typical factory that he invoked at Karadjordjevo -- one in which “Serbs, Croats, Kosovars and Slovenes” work harmoniously -- ethnic diversity complicated distributive decision-making and the party had to weigh what proportion to hire of the basis on qualification and that of ethnic underrepresentation. (Vol2: 324-325) This was the quintessence of balancing that ethno-federal trilemma required: the party, not the employees themselves, balanced ethnic with economic interests, if employees themselves attempted to triangulate that counted as unacceptable enumeration. Yet, the adaptations of Soviet nationality policy left a central question of Yugoslavs somewhat open, which in turn complicated debates about hiring and thus about remuneration of workers.

In theory, Yugoslavs freely thrived in all ethno-territorial units. In practice, an incentive existed to contain their spread lest they “encroach” on the rights and responsibilities of the indigenous ethnicities -- Tito, after all, had not listed Yugoslavs as potential new hires in the chimera factory who would increase its productivity or ethnic balance. Under the assumption that what held for the party also held true for those working in the state sector of the economy, it seemed that Yugoslavs, to the extent that they existed at all, had no clear place in the economic sector, certainly during the liberal era (early 1960s to early 1970s). Although the federal regime moved in the direction of making Yugoslavs as anational as Soviets after the 1950s, it could not drop the category, as some suggested around the 1963 Constitution, and still say to the outside world that the Yugoslav’s party solved the national question as brotherhood and unity thrived.

Binds that Tie: How a Communal Apartment Transitioned into a Tenancy in Common

This chapter provided evidence for two claims. First, political elites though that the economic, the nation and political spheres had so many interconnections that raising one of the three required so much attention to the other two that, in effect, the three became roughly co-equal. One consequence of thinking in terms of rough co-equality, or triangulation was that elites continually renegotiated the meaning of Yugoslavia during its half-century of existence; indeed, the very process of renegotiation effectively reinforced co-equality. The AVNOJ bargain suggested why renegotiations about what was Yugoslavia, optimized by the various answers to the question of “who were the Yugoslavs” -- remained a policy alternative for the entire period of its existence.

Second, as long as the state’s eponymous nationality, the Yugoslavs, was amorphously defined, a major obstacle remained to saying what constituted a just distribution of burdens and benefits of the common state. Without that, the competing and overlapping interests of political-
economic regions (those with a comparative advantage in agriculture, raw materials, manufacturing) and of socio-cultural or ethno-religious communities (both those more and those less constructed by the Titoist regime) seemed as indelible a feature of the internal political scene as Tito himself had been. In order to highlight the “chain of concepts” presented in this chapter and show how they influenced the economic reforms, the concluding section sketches how socialist Yugoslavia transformed from a Soviet-style communal apartment to a hybrid, dubbed here a tenancy in common.

Three Defining Characteristics of a Tenancy in Common

Yuri Slezkine’s incisive metaphor of the Soviet Union as a communal apartment permits an adaptation of his conceptualization to Yugoslavia, a socialist system but one with far fewer restrictions on the property rights of individuals and indeed groups or communities, national, religious, economic and others. Slezkine had not explicitly extended the metaphor of a communal apartment to dwell upon property rights and focused instead on nationality policy generally. The conceptual extension proposed here underlines the insightfulness of the metaphor. Using the trilemma approach, what distinguished a tenancy in common (TiC) from a komunalka (communal apartment)? The differences outlined below build on a broad consensus about the “subversive institutions”:

1. Balkanization versus Yugoslavization: nationality policy in Yugoslavia combined more dramatically primordialist and constructivist approaches than in the Soviet Union and the common identity appeared a substitute for ethnic ones more than a complement to them, as had been the case with “anational” socialist Soviet or Czechoslovak official identities;
2. Clean accounts: Federal economic policy permitted one republic to exclude another from more public goods sooner than in the Soviet sphere and institutional arrangements offered a way of breaking the komunalka pattern of “money to the Federation -- deficit to the republics”;
3. Authoritarian consociationalism: Political decision-making appeared more polycentric, and earlier, than in other socialist societies. While in the Soviet and Czechoslovak case the largest republic, Russia and (after 1968) the Czech Republic belonged to the federal party, in Yugoslavia, all republics had their own party: the largest republic, Serbia, did not automatically control the federal party, or the other way around.

Since all three socialist federations dissolved (a braver approach might include Ethiopia as well), all three transitioned or fragmented from a communal apartment to a tenancy; the argument here is that Yugoslavia did so first while other scholars addressed the question of how closely behind the Soviet Union and Czechoslovakia followed. The sections above explicated each of the three elements in detail, and the summary below provides an overview of the chain of concepts introduced thus far. The brief sequential recapitulation serves to show what may be called the emergence of a “political Dutch disease,” a condition enabled by Yugoslavia’s geopolitical position and one that reinforced the political economy of so-called holding together, as oppose to coming together federal arrangements.

The order or sequence in the chain of concepts matters, and replicates the order from the chapter, starting with the AVNOJ bargain and triangulation (Table 5). First, the nascent regime promised in the midst of World War Two to federalize but had not precisely outlined how devolution of state capacity ought to proceed, or where it might end. Second, after the war, the
federal regime faced the challenge of modernizing a socioeconomically and ethno-religiously diverse society, a challenge described as the balancing or triangulation. The term stresses both the aspect of social construction – the regime might have facilitated the creation of additional or permitted the emergence of fewer nationalities and administrative divisions – and very concrete economic challenges – war-time destruction of housing stock and malaria had not been ideological constructions of chiliastic revolutionaries.

Third, after the 1948 geopolitical shift, state devolution gained a structural form that critically enabled the devolution of economic decision-making from the federal center to republics and provinces, self-management.\textsuperscript{123} Thus, Yugoslavia’s revolutionary socialists started as the best Soviet pupils, and thus enthusiastically wanted to create a country modeled on the Soviet communal apartment, a project painfully abandoned during the Cominform crisis (1948-1952).\textsuperscript{124} As was the case with other “renegades,” China and Albania, Yugoslavia’s break spurred the creation of more distinct institutional forms. Renegade or not, the party had kept a monopoly on political power and tinkered with the Soviet economic model but without lifting the severe restrictions on investment capital – the party attempted to control its movement and foreign banks and investors faced significant barriers to entry.\textsuperscript{125}

Forth, after the break with Stalin (1948-1952), the key challenge for Yugoslavia’s political elites became how to square two interlocking circles, both tasks that the royalist regime faced. The first challenge was how to achieve political decentralization within an authoritarian system, a challenge more acute in the Yugoslav case than in the case of the Soviet Union and Czechoslovakia given the experience of internecine violence during the war. The second challenge was coetaneous with but subordinate to the first, namely how to achieve cooperation, economic no less than social, between unequally developed regions. Tito’s charismatic power lay in the ability to reconcile these competing regionally- and ethnically-based interests, with the caveat that the socialist revolution was supposed to “resolve” various contradictions by fostering a classless society.

Following the Soviet example, a collective leadership around Tito represented internally acceptable competing interests. Externally, the official ideology insisted on the absence of significant competing interests in a socialist society. In internal discussions, however, political elites accepted contradictions as regrettable but law-like phenomena encountered in the realization of revolutionary goals, goals indelibly contingent on the Soviet attempt to build a new society rooted in so-called ex-ante equality (but not ex-post equality, equity of outcomes).\textsuperscript{126} The fate of inner-circle members underlined both the existence of competing interests, what one analyst dubbed consociational authoritarian politics, and the limits of their expression.\textsuperscript{127} Excluding the anti-Stalin Stalinist trails, memorialized with Sreten Žujović’s self-criticism, the so-called “Dachau trails” in Slovenia of interned Communists in 1948-1949 demonstrated its party’s Stalinist capacities, Metodija Andonov-Čento’s 1946 imprisonment for “separatism” and Andrija Hebrang’s 1949 murderous purge demonstrated the limits of autonomism, Milovan Djilas’ 1954 imprisonment the limits of dissent.\textsuperscript{128} The party generally doled milder sanctions to strategic elites after the 1950s, so Aleksandar Ranković’s 1966 purge showed the limits of countering dissent against the regime’s opponents and ended in his – retirement, as had that of most liberals, the subject of a later chapter, the showed the limits of market-based international integration.

Fifth, after the mid-1950s, the catch-phrase self-management captured the transformation of a communal apartment into something resembling a – tenancy in common. Additional research may further elucidate the extent to which the pre-socialist federalist impulses –
factoring the country into ten macro-regions and later splicing some into the Banovina of Croatia -- helped make Yugoslavia more of a federal state than the Soviet or Czechoslovak cases and thus why Yugoslavia transformed from a “komunalka” to a tenancy. Unlike the Soviet and Czechoslovak cases, socialist Yugoslavia exhibited few sectors where centralization persisted, including in part the security apparatus (Territorial Defense after 1968).\textsuperscript{129}

Relevant here, by 1961, the socialist regime first tried to introduce a convertible currency – West European currencies became convertible in the late 1950s, as part of the Breton-Woods arrangements. Inability to implement reforms clearly revealed the strength of what had been described in the previous chapter as the “Ranković network,” where coercive institutions exercised control over financial institutions (banks especially and strategic enterprises), as well as the inability of reformers, led by a cadre intimately familiar with the coercive apparatus, Boris Kraigher, to co-operate and coordinate. Despite the power of the security network, a top-secret meeting in March of 1962 of the leadership showed that elites from all republics openly discussed the probable break-up of the common state in absence of a Soviet threat or Western aid and, again, despite the power of the security network, the 1963 Constitution codified decentralization. Most significant for economic reformism, the March 1962 episode established a precedent where political crisis leads to more, not less, devolution of political and economic decision-making.

Of course, decentralization took place across the Soviet sphere, yet Yugoslavia took decentralization a step, or three, further than comparable socialist regimes and certainly well beyond that seen in Francoist Spain or Greece until after the colonels.\textsuperscript{130} With the 1963 Constitution, republics gained the right to secede and its representatives indirectly had the power to veto federal legislation; each republic had its own investment bank. From 1967 republics decided on citizenship along with the Federal government and, after 1968, each developed something like a National Guard that operated alongside the Yugoslav National Army. During the 1960s republics largely took over health, welfare and pensions, except for veterans, a rare program of the federal regime like the fund for regional development.\textsuperscript{131} Federal coffers depended on republics, where before the 1971 amendments republics relied on the revenues collected by the federation.

After 1971, republics had so much fiscal sovereignty that their transfers accounted for about half of the receipts to the federal budget.\textsuperscript{132} Just as republics worked for fiscal sovereignty, allowing them, for example, to create their own state airlines and thus escape federal monopoly (Slovenia in 1961, Croatia in 1963, and Bosnia in 1978), a similar political economy applied to municipalities that could set-up their own enterprises.\textsuperscript{133} With the exception of a recent study of enterprise managers in Slovenia, most available studies of enterprises focus on the worse cases, the Trepča mines in Kosovo, Zastava automotive plant in Serbia, Agrokomerc in Bosnia; in all cases municipalities played a critical role.\textsuperscript{134}

The 1974 Constitution represented not a rupture but a continuation, even a culmination, of the AVNOJ bargaining (conditional unity among local elites while facing perceived internal and external threats followed by devolution). Through the four Yugoslav constitutions (1946, 1953, 1963 and 1974) and dozens of amendments in between, the boundaries between and within the republics remained stable. Like the royalist regime, the Titoist regime failed at centralization in most policy areas, with the partial exception of the security apparatus. Consequently, the visual similarity between municipal boundaries from the 1931 and 1971 censuses underscored the difficulty of socialist transformation (or the persistence of pre-socialist structures): if socialism promised to change society, why had so many “old” boundaries persisted at the local level? Even
accepting that Yugoslav elites controlled a far smaller land mass that their Soviet counterparts, and thus literally lacked the space to create “new states,” as opposed to foster “renewed” and “old” ones, to use a recent typology, the relative lack of malleability of municipal boundaries suggested that socialist transformation took place literally within established boundaries.\textsuperscript{135}

Tito’s passing, in 1980, predictably, if not inevitably, influenced the tone of the negotiations among tenants about the terms of their joint contract. Once the underwriters of credit for subsidized loans, in this case the international financial institutions (IFIs) and strategic bilateral partners (the US and Germany), required some assurances about repayment, the extent of devolution appeared in a dramatic though not new light. As he had in the early 1970s, Janko Smole negotiated in 1983 with republics and provinces to accept federal oversight since IMF’s insisted on this as a precondition for rescheduling – Macedonia, Montenegro and Kosovo opposed strongest the loss of local control.\textsuperscript{136} As it turned out during the succession negotiations, relatively little conflict existed about what each tenant owned to the foreign creditors – in the language of 1960s reformism, clean accounts existed between republics and the IFIs -- but the question of what the tenants owned each other remains unsettled, and with the violent breakup, the question persists as does the relevance of the concept of clean accounts. With the dissolution, how much Yugoslavs muddied clean accounts emerged fully, as had the fact that Yugoslavs, like Soviets or Czechoslovaks, seemed incompatible with post-socialist arrangements.

Conclusion: Accommodating Marxist Ideology to Geopolitical Realities

This chapter has outlined the mechanisms involved in Yugoslavia’s trajectory from the most Stalinist socialist regime in postwar Europe to its inclusion in “Southern Europe,” alongside Spain, Portugal and Greece, by the early 1980s.\textsuperscript{137} Partisan elites relied on Soviet blueprints during the first decade of their rule but had few models in the early 1950s for reverse engineering the Stalinist designs, or icebox. The resulting incubator of nations, institutions and reforms seemed to have amplified the pre-Soviet legacy of the first common state, its nationality problem and its dissolution that became so relevant once Yugoslavia exited the protective sphere of the Superpowers.\textsuperscript{138} Yugoslavia’s wedge status enabled one mechanism, the hollowing out of Stalinist-era federal institutions, political and economic, while the ambiguity about the Yugoslav nationality enabled another mechanism, the evolution of holding together federalism rather than of the rarer coming together variety. Extending the metaphor of a Soviet Union as communal apartment in which each nationality had its room or republic, in socialist Yugoslavia republics moved closer to becoming members of a tenancy in common with property rights, and moved further away from mere occupants in a socially-owned apartment with residency rights contingent on some central planner.

Nation-building that focused on republics more than on the common state and the attendant “cultural front” more broadly remained in the eyes of Tito and many of the most influential political elites contingent on preventing political and economic “greater Serbian hegemonism,” a phrase the Titoist regime unambiguously took from the inter-war lexicon of the opposition.\textsuperscript{139} With the partial exception of the security apparatus, the strong internal barriers to integrating processes within the more discreetly political and economic spheres made similar integrating process in the social and cultural spheres a fascinating example of why so much cultural activity and social interactions took place between republics outside any direct supervision of the regime, from active print journalism and the so-called black wave cinema in the 1960s to the emergence of art-house and rock music counterculture.\textsuperscript{140} The absence, for
example, of a hegemonic all-Yugoslav curriculum implied that cross-cultural affinities emerged in part spontaneously and despite the regime’s authoritarianism in the cultural sphere.\footnote{141}

The simplified coverage of key episodes invites several general observations. Economic, national, and political balancing intensified during eras in which an external threat (e.g., Soviet invasion) dissipated. Security concerns trumped more pedestrian economic and national ones in time of imminent threat (the Cominform crisis, the invasions of Hungary, Czechoslovakia and Afghanistan). In peacetime, as the Karadjordjevo meeting showed, the reformers possessed the political skill for tinkering with one element, namely fixing the currency regime, a modest but significant distinction from more rigid planned economies. Yet, as a cohort, the reformers also lacked the skills to tinker with all three elements simultaneously, fixing the currency regime, constitutional amendments and controlling mass mobilization, a major and obvious distinction from democratic regimes. The image of communicating vessels suggests the demands of such an undertaking, while the example of Spain’s Moncloa Pacts points to how a divided society can reach a social compact for change.

Regrettably, despite the greater freedom to experiment with incremental reforms than counterparts in Soviet satellites, political elites largely eschewed incrementalism. Tito openly regretted permitting the reformers so much space for experimentation, and, as if channeling Maximilien Robespierre, bluntly stated, “For the class enemy there is no democracy.” (Vol2: 325). Tito also understood well the political economy of the national question, including how effectively nationalist narratives incorporated tropes about economic exploitation. For instance, Tito pointedly observed during a Central Committee debate on the implementation of the reforms in December 1965 that the literary debates and other cultural expressions of nationalism, such as the polemic on Yugoslavism between Dobrica Ćosić and Dušan Pirjevec in 1961-1962, were “all a result of these unsettled relationships [neodredjenih odnosa] within the economic base.”\footnote{142}

Balancing provides a catch phrase and communicating vessels an intuitive image for a problem that recurred in socialist Yugoslavia more than in Czechoslovakia or the Soviet Union. For a major change to occur in one sphere, elites had to consider the likelihood of a “spillover” from that sphere to cause major changes in the other two spheres. Indeed, to rephrase slightly a truism about socialist Yugoslavia, once major changes occurred in any one sphere, whether due to internal or external forces, or both, changes perceived as significant could take place in each of the three spheres.\footnote{143} As the Karadjordjevo meeting showed, hardliners perceived that the reformers focused too much on economic matters and – for them a natural consequence – fissures within the party occurred and as had unacceptable nationalist outbursts. A delicate equilibrium existed though it seems too much to argue, as in the case of brotherhood and unity, that the three worked more as substitutes than as complements. Thinking in terms of triangulation, thus, helps answer the question of why reforms failed, questions that new archival sources made more answerable, and informed the broader question of disintegration, a question that the unavailability of archival sources makes less answerable.

What follows now is a story of how elites, committed to socialism and to reforms, and capable of stewarding Yugoslavia into the burgeoning international division of labor, betrayed, from Tito’s point of view, their class interests and so became in Tito’s eyes – “the enemy” to whom the revolutionary party rightly denied privileges and freedom.
Chapter 3: “We are committed to the free movement of people, as well as the free circulation of goods and capital”: The Liberal Hour from the 1961 Reforms to the 1971 Constitutional Amendments

In 1967, a cadre from Macedonia, sociology professor Uroš Andreevski, invoked Lenin to remind his colleagues “there is no socialism without planning.” How was it that some fifteen years after the launch of self-management cadres felt basic tenants of state socialism such as central planning threatened? From the early 1960s, a group of mostly younger and better-educated cadres than the strategic cadres around Tito tacitly agreed on expending the Partisan bargain into the economic sphere as the best way to foster socialist development, something captured by the term “clean accounts” (“čisti računi”) they used. More controversially, they also flirted with geopolitical neutrality (as opposed to relying on the wedge status of the common state internationally) as the best way to achieve integration into what they called the international division of labor.

The need to finance investment while maintaining consumption levels pushed elites toward experimenting with a more open economy from the late 1950s, a process outlined in the first section. The reform legislation and constitutional amendments, the focus of the second section, made manifest the tinkering with the Partisan bargain done by reformers throughout the 1960s. Yet, more revealing than laws was the unprecedented airing of popular grievances. Grievances offer an under-explored window into the local variety of reformist thinking in each republic.

An analysis of these two pieces -- the background to reforms defined by efforts of a modestly sized federal apparatus that needed to secure investment capital and an overview of the decade of reforms with special attention to gripes-- permit an examination of a nascent but coherent plank of reformism encapsulated by several key words, the subject of the third section.

One way to conceptualize the reformers agenda is to ask how reformers attempted to reshape the regimes relationship to the two major factors of production, labor and capital. Karadjordjevo revealed how easily, if not exactly why, political elites accepted foreign capital as a phenomenon, not just earnings from the export industry and tourism, but also remittances from workers abroad and international debt, without justifying this reliance on socialist ideology. This ideological flexibility appeared evident during the first big strike of workers in 1958, the immediate background to the reforms. The first section thus describes the strike and the complementary needs for investment capital and for cadres.

A peculiar and visible type of capital took center stage in publically expressed grievances, remittances from mostly Croat émigrés, which amounted to about a fourth and a fifth of all foreign currency receipts in Yugoslavia’s socialist economy between the early 1960s and 1980s (discussed in Chapter 5), and international development finance, the subject of the next section. While remittances increased continually, development finance followed a so-called U-curve, with very high levels immediately after World War 2, comparatively few loans through the 1950s and a rapid increase with the introduction of reforms in the 1960s. Development aid

* Part of the research for this chapter has been supported by the All-UC Economic History Summer Grant. The source of the quote is Živorad Radojević President of the Commission for Foreign Affairs in Serbia’s Parliament: AJ, f142/II, b495, Komisija za medjunarodne veze (1968-1973), SR Srbija, Republička Skupština, Komisija za spoljno-politička pitanja, Stengrasfske beleše (10 February 1969): PN/ZS 1/5.
increased substantially because of the reform agenda, but reforms has internal drivers that often eclipsed the promise of Western capital, as demonstrated the paucity of joint enterprises.

Grievances open a window into the milieu of liberalism in the three republics. Like Vojvodina, Macedonia, the fourth republic with reformist elites in leadership positions, receives only passing attention in this iteration of the project. As grievances emerged during a decade marked by the passage of a Constitution (1963) and its extended alterations (1968 and 1971), as well as dozens of laws passed in two main batches (1961 and 1965), so had certain key words or expressions. De-etatization of the federal state, clean accounts between the federation and entities that promised to ease chronic shortage of investment capital, while workers’ wages needed to reflect worker productivity and not the Soviet practice of an “uravnilovka.”

Cadres and Financial Capital: Two Bottlenecks for Non-Aligned Self-Managed Brotherhood and Unity

The 1958 Trbovlje Miners’ Strike and How Convertible Currency and Free Trade Became Natural to Self-Management by the Early 1960s

In East Germany, peasants and workers protested in 1953. The breadth of popular discontent, though of the first large-scale expression of discontent since World War II, led to concessions by the regime. A much milder version of East Germany’s 1953 protests took place in Slovenia during January 1958, and was politically more salient than the armed 1950 peasants’ revolt in Cazin (Bosnia). The regime in Yugoslavia made concessions to striking workers, quickly and with some unintended consequences, when discontent about salaries and working conditions turned into the first-ever strike in a self-managing system. Some 5,200 of 6,600 coal miners struck in Trbovlje-Hrastnik, known for its tradition of labor activism, including a commune in the 1930s. The “work stoppage” in official-speak spread within a day to nearby Zagorje mines and thence to some twenty enterprises across Slovenia. The later Slovene reform politician Stane Kavčič delivered the report before Slovenia’s Socialist Alliance on 22 January 1958, and summarized the main demands. Apart from increased pay, miners demanded subsidies for their work clothes and for heating coal for their households.

Tito practically sided with the miners, as he would with the students in 1968. Tito criticized trade unions for inattentiveness to workers’ needs. The way the protest message had been carried simplified Tito’s task of siding with worker interests. Trbovlje’s municipal branch of the Socialist Alliance, a purportedly all-inclusive body representing the interests of all working people instead of the politically embarrassing local party branch, carried the grievance list to Belgrade. As one ameliorating measure, Tito appointed a veteran revolutionary, Svetozar Vukmanović-Tempo, to head the trade union association Savez sindikata Jugoslavije (the Federation of Trade Unions of Yugoslavia, SSJ), and a strong voice in favor of workers.

Already a year earlier, the First Congress of Workers’ Councils called for greater freedom of enterprises to decide on how to allocate their earnings. Although not quickly or thoroughly enough to forestall the Trbovlje strike, the regime had responded to pressure from below (workers’ councils) with a modest package of reforms passed in late 1957, including a new employment law (Zakon o radnim odnosima). Enterprises would decide on how to allocate
after-tax earnings and salaries, and Article 126 explicitly gave workers’ councils of enterprises the right to make hiring decisions.149

At the time, the eminent interwar economist from Croatia, Rudolf Bićanić, succinctly captured self-management as an “ambivalent system, partly governed by laws of imperfect competition, and partly administratively controlled, so that it is very difficult to make this system work.”150 The Congress of the Yugoslav Association of Economists, held in May 1958, saw a much broader debate, and an unusually public one characterized by the publication, all be it in a specialized journal, of the proceedings where leading figures expressed divergent views.

The economists’ debate, which would intensity in the coming decade, came on the heels of the Seventh Congress of the League of Communists, held, inconveniently enough, in Ljubljana (22 to 26 May 1958). Scholars rightly regard the adopted program as a clarion call for reforms, including “overcoming remnants of state capitalism” and, though de-etatization had not yet gained intellectual currency, the program declared, “the state has the tendency to take away from the economy its internal driving force, so that it [the state] can present itself as a social necessity.”151 Given that the General Investment Fund disbursed over two-thirds of all investments in the late 1950s, with projects favoring heavy industry over light manufactures, “remnants of state capitalism” appeared quite visible.

The strikes had not spread from Slovenia to the rest of the country, and yet the demands, perhaps unexceptional given the calls for reform in Hungary and Poland in 1956, suggested the proverbial Marxian future that the more advanced revealed for the less advanced. In his expose, Kavčič noted the objection of Trbovlje miners that the purchasing price of their coal was lower than that of neighboring Zagorje mines by 4%. Unequal purchasing prices between Slovene neighbors served as a valid grievance, helping explain why the delegation to Belgrade returned quickly with good news about concessions that apparently satisfied most miners who returned to work (the local elites relied on the republic to take pacify the dissenters). Yet, if proletarian neighbors belonged mostly to a different ethnic group or resided in a different republic, the economic grievance remained valid but risked, as Andrija Hebrang’s critique in 1946 and 1947 had revealed, crossing the line and reopening elite and, worse still, public debates on the “national question,” and whether the regime set just prices for goods and wages.

The strike pushed the regime toward a plethora of pent-up liberalizing moves, among them convertibility of the dinar and trade liberalization, and showed that a handful of cadres, not workers in their enterprise, made decisions about prices. Yet the subsequent halting moves toward self-management in enterprises, spurred by a miners strike in Slovenia, ought not to obscure the strength of radical impulses at the local level as well as a political culture strongly marked by centralism and less tangible practices from wartime. For instance, Tito personally signed documents accepting Western loans in the 1950s, and closed with the formula used in official communication during the wartime: Death to Fascism—Freedom to the People (“smrt fašizmu-sloboda naradu” or in acronym form, S.F.-S.N.). This slogan remained ubiquitous in internal communication until the early 1960s, even 1964.152 It took nearly twenty years after World War II for S.F.-S.N. to slip from use, and its absence from communiqués perhaps helped make it easier for cadres to imagine a convertible dinar and other ways to join the international (read capitalist) division of labor.

In a point rightly held by scholars as a break with the tradition of “administrative socialism,” the 1958 League of Communists program stated that outcome equity does not constitute an immediate or even a medium-term goal of Yugoslavia’s party. “Socialism cannot be equated with the realization of the principle of equality and freedom, although striving for
equality and freedom is a vital element in its ideology.” Yet, in line with radical revolutionary impulses, enterprise committees demanded and some even fired workers who owned land. In Slovenia’s Ptuj region, with its industrious “mixed” households where members split their time between agricultural and industrial activities, “some enterprise committees of the League of Communists requested that all half-proletarians (“poluproleteri”) receive dismissal notices, even though these workers comprise 80% of the work force.” In Novo Mesto, a city in Lower Carniola where the regime invested heavily in pharmaceutical and automotive industries, republic officials sent out orders for firing “half-proletarians” on 27 December and several hundred workers received termination notices on 29 December. That a Committee Against Landowners (“komisija za zemljaše”) formed in the hulking rail car factory in Kragujevac, an armaments center since Serbia emerged as a kingdom in the nineteenth century, hardly surprised the central party that described all these activities as worrying signs of a bottom-up “anti-peasant campaign” in response to early decentralizing efforts around the 1958 initiative.

A fuller reconstruction of the top-down push for and a bottom-up pull for decentralization, or other novel policies like trade with the West, may reveal that the two functioned something like Alfred Marshall’s scissors. By the Seventh Congress (1958), official policy mandated that “in line with the reforms our system has undergone, that is with decentralization, workers self-management and social leadership in general … every committee, council, institution and economic organization etc. [must] solve its own cadre problems.” The awkwardness of expression suggested the novelty of decentralizing efforts. How, precisely, had governing changed with amorphous “social leadership” and how, precisely, would an enterprise secure the cadres it needed?

These challenges of implementation apparently required some adaptation of prevailing practices even for local cadres from Slovenia who agreed with market-oriented moves “but wait for everything to be solved ‘above’… [focusing on] the Social Plan [Five-Year Plan], on administrative instruments and measures, as if everything can be automatically solved via these.” The Plan appeared as “quasimetaphysical,” to quote Philip Coldwell, something that dissipated significantly by the mid-1960s, when elites postponed the passage of the federal plan until the passage of the 1965 reform laws. The next section looks at cadres and their control of investment capital, yet Trbovlje cast a long shadow as it stood for “political conflicts, problems and tensions” that inspired the 1960s reforms, according to Stane Kavčič’s reformist tract.

“Too long too young and then suddenly too old”: Strategic Cadres and Lilliputian Federal Institutions

Tito and the federal coercive apparatus he created remained in Cold War historiography something of a Leviathan, as exemplified by the steady stream of biographies. Evidence from archives amply justifies this view of Tito and the Yugoslav People’s Army at least until the early 1970s. Yet, the same evidence shows that the civilian federal apparatus resembled something Lilliputian even in the 1960s. A 1969 study for all public institutions put the figure of those working in the civilian side at barely 10,000. The study from Belgrade’s Center for the Research of Public Opinion showed that Serb and Montenegrin cadres were overrepresented in the professional staff, amply substantiating the grievance of non-Serbs regarding “state capture,” yet among leadership positions only Montenegrins were clearly overrepresented in leadership positions, partially belying the wide spread notion that Serb cadres enjoyed exorbitant
privileges. Later studies also confirmed the modest size of the civilian side of federal institutions, for instance all cadres in employed Yugoslavia’s Central Committee doubled in size at the federal level between 1965 and 1981 from 150 to 300, while those employed by entity Central Committees almost doubled during the same period, from 2,000 to 3,500.

According to the Cadre Commission files, Yugoslavia’s version of the 1930s Soviet Party Control Commission, a handful of people seemed to have decided on appointments of strategic cadres to key positions. The miniscule numbers involved seem in line with Lenard Cohen’s estimates – several hundred working for the federal Central Committee and perhaps several thousand at the federal level. As the Soviet predecessor lost its power to regional bosses after the Great Purge, with the purge of Aleksandar Ranković in July 1966 (Brioni Plenum, confusingly, one of several), Yugoslavia’s Cadre Commission likewise lost much of its power as local entities took over cadre policy.

Who controlled the federal apparatus before the 1966 Brioni Plenum and before the various humiliating excursions to Belgrade to plead for favors or carry grievances? Stalin of course memorably proclaimed, “Cadres decide everything.” The career trajectories of cadres just beneath veto players around Tito’s Cabinet and the security apparatus and those around the Central Committees in the eight entities (republics and provinces) requires a separate study, but the section below offers a partial view of strategic cadres at the federal level.

Strategic cadres served as key allies and associates of the perhaps dozen veto players around Tito. The number of veto players increased from the half-dozen who sat around Tito in the famous 1944 Vis Island “cave photo” to perhaps two dozen at zenith of Titoism in the late 1960s, and contracted back to a dozen in the second half of the 1970’s, as Tito retreated from day to day politics. Relevant for reformism, Edvard Kardelj and Vladimir Bakarić arguably worked the longest, if not continuously as veto players, from the early 1940s through the mid-1970s. A cadre of similar stature had not replaced Aleksandar Ranković, the security chief purged between 1964 and 1966, something that left an opening for reformers and, after their purge, made Dragoljub Marković arguably the most powerful cadre from Serbia. Overwhelmingly associated with governing, strategic cadres headed federal or all-Yugoslav “social-political organizations,” principally the Socialist Alliance, the syndicate, youth and veterans organizations, but also more quotidian posts that most wanted to avoid, like serving on editorial boards of key journals. While their educational advantage dissipated by the 1970s, in the 1950s and 1960s the human capital within the party exceeded the social average several-fold, something the party tracked carefully.

In the mid-1950s, as the party recovered from the Cominform purges, the paucity of any cadres in the institutions of the federation replicated the ubiquitous shortages of consumer goods. Even in the late 1950s, fewer than half the officials dealing with foreign affairs belonged to the party (91 of 196), almost all had worked in the royalist regime and a mere handful was younger than thirty years old. The party described some 189 as strategic cadres in the civilian side of the federation at the end of 1958. The cohort, outlined alphabetically on 48 typed pages included a number of spouses, Pepca Kardelj, Marija Vilfan and Zdenka Kidrič (wives of comrades from Slovenia tended to have higher labor participation rates than their counterparts in other republics). A few family members of veto players also dotted the list, Sergei Kraigher, the Governor of the National Bank (1951-1953) and younger cousin of Boris Kraigher, the architect of reforms, as had some “old revolutionaries,” to adopt the Soviet phrase of “old Bolsheviks,” Dr. Joža Vilfan, Rodoljub Čolaković and Peko Dabčević. A handful of experts also appeared, including economists, Nikola Čobeljić and Slavko Komar, as had a few of the liberals, Mijalko
Totodrović and Krste Crvenkovski, and their opponents, Mika Špišjak. Two years later, a similar list included a mere 132 names. These individuals held 220 significant functions in socio-political organizations and over 1,200 functions altogether, something that pointed to concerns about the emergence of an entrenched nomenclature and suggests the Lilliputian dimensions of civilian strategic cadres even if their number is plausibly increased by three- or five-fold to include their counterparts in financial institutions like banks and strategic enterprises (Table 6).

By 1963, none other than Aleksandar Ranković, Tito’s security chief until his purge in 1966, sternly underlined the persistent deficit of cadres from Macedonia and Slovenia at work in the federation. He noted that the upcoming opening of some 60 spaces — not 600 or 6,000— in the Federal Parliament and Federal Executive “offered propitious circumstances and possibilities for the improvement of the current situation with respect to republican composition.” As decentralization of the federal apparatus continued through the 1960s, Ranković’s tabulation in the summer of 1963 documents what elites recognized as a tipping point for the decentralization of the federation.

For one, the detailed breakdown of the republican composition (“republičkog sastava”) confirmed that the higher the leadership posts the more stringently the party implemented a variety of affirmative action in the civilian sector and that these measures applied to republics (the practice increasingly spread to the two provinces after the implementation of the 1963 Constitution, as Chapter 6 will show). For another, the total number of posts requiring strategic cadres within the civilian sector numbered fewer than 500 according to this tally, with comrades from Montenegro hugely overrepresented, both in the party but especially in executive agencies and judiciary, those from Slovenia and Macedonia as underrepresented and no mention of the ethnicity of the cadres (Table 7).

The chronic shortage of cadres pointed to a ubiquitous practice of socialist regimes, “kadriranje,” that helps show that reformers emerged as a cohort because they had been protégés of like-minded veto players. A representative discussion on economic cadres’ right before the enactment of the 1965 reforms captured the arbitrage for upper-management posts by cadres with impeccable credentials, including extended service within the security apparatus. Velimir Stojnić, a highly decorated veteran and teacher by training, along with Kiro Gligorov, arguably Boris Kraigher’s de facto deputy in economic affairs during the first half of the 1960s, together with another distinguished veteran from Macedonia, Borko Temelkovski, adjudicated on some two dozen cases in the course of single meeting in March 1964. For instance, the Cadre Commission decided that Nikola Miljanić would stay on as the Governor of the central bank, the National Bank of Yugoslavia, and when Bosnia’s Government refused a request from the Federal Secretariat of Finance to second an Undersecretary of Finance from Bosnia, Djordje Peklić, the group noted that it would make the request to Bosnia’s Government.

Changing Sources of Western Capital: From Reparations and Aid in the 1940s and 1950s to Remittances and Loans Coinciding with the 1960s Economic Reforms

Cadre policy outlined at the Seventh Congress (1958) suggested the willingness of the federal regime to try “reforms from scratch.” Similarly, that currency ought to tend toward convertibility belonged to a mentality that had emerged from maximizing local self-rule while maintaining an international position of a wedge. On the domestic, demand side, a convertible currency would simplify distributive debates among political and economic elites within the
common state, a point briefly addressed below and discussed in length in the third section of the chapter. For instance, apart from the demand side, on the international, supply side, the sources of foreign capital changed dramatically during the Cold War. Between the late 1940s and early 1950s, the federal regime received huge transfers in the form of food aid from the United States and reparations but these had given way to credits, especially after the 1960s (Table 8). Apart from the better-known foreign debt crisis in 1982, Yugoslavia became the third largest recipient of credits from the Export-Import Bank (ExIm Bank) of the United States by 1990.174

Why had convertibility so animated reformist thinking? Convertibility held the dual promise of creating wealth and minimizing the extractive threat posed by “stationary bandits” ensconced in the federal institutions. If currency became convertible, then financial accounts could be more transparent, or cleaner, and financial machinations from the federal bureaucracy, such as how much foreign currency an exporting firm could dispose of freely, had a smaller effect on enterprises in republics. Convertibility did away with multiple exchange rates, or at least set a more transparent exchange rate, potentially a stepping-stone to its fairer distribution among sectors. Before 1952, a central account existed, such that exports and invisible transfers covered most imports. Yet, reconstruction of the industrial sector required various imports, and a central account proved unwieldy.

One mechanism that emerged to stimulate exports and retard imports was an “equalization fund” (1952-1961) that covered the difference between domestic fixed prices and commercial, Western ones since the regime kept the dinar’s exchange rate at a highly overvalued fixed rate at 50 to $1 US dollar (Table 9). Apart for the equalization fund, a related instrument called the coefficient system existed until the 1961 reforms (coefficients less than 1.0 made preferred imports such as intermediate goods “cheaper” at home while those above 1.0 made preferred exports “cheaper” to foreign buyers). Rather than competing on quality, exporters competed politically for an ever-higher coefficient, an obviously undesirable incentive.176 Yet, perhaps the policy that demonstrated why reformers wanted convertibility in the most intuitive concerned the so-called retention quotas for foreign currency.

The quota was the amount of foreign earnings an enterprise disposed of without surrendering it to the federal apparatus. Since demand for foreign currency vastly exceeded the supply, retention quotas routinely decreased from an original 40% in 1952 on average to 15% in 1954 and 7% in 1961 and finally after the Karadjordjevo meeting increased to 20% on average in 1972. Until 1972, when an inter-bank foreign exchange market emerged, a major achievement of reformers, retention quotas intuitively showed the dysfunction of the foreign exchange regime and federal fiat over foreign currency.177

The external push for convertibility also existed, and was especially evident during Yugoslavia’s bid for GATT membership (1961). However, as telling evidence of a wedge strategy, the regime pursued Non-Alignment (1961 Belgrade Declaration) at the same time. Yet, changing sources of Western capital helped explain Yugoslavia’s opaque foreign exchange system and the internally-driven part of the push for convertibility. While remittances increased exponentially (Chapter 5), development finance followed a so-called U-curve, with very high levels immediately after World War II, comparatively few loans through the 1950s and a rapid increase with the introduction of reforms in the 1960s (Table 10 shows the trends with IBRD loans). Even before the Cominform crisis (1948-1952), Yugoslavia received a preponderant amount of UNRRA funding (emergency, food-based grants) between 1945 and 1947.178 With the Cominform crisis, the United States provided both economic and military aid, and at levels comparable to those provided to its other Balkan allies, Greece and Turkey, with whom
Yugoslavia signed a symbolically important military alliance treaty in 1954. (Table 8 shows Yugoslavia fell between these two NATO allies.)

During the 1960’s, Yugoslavia’s main sources of external financial capital shifted from Western humanitarian assistance and war reparations to remittances from émigrés and Western loans.

Foreign financial transactions in the immediate post-war period were exclusively carried out by the state through the National Bank of Yugoslavia. The deficit on the current account of the balance of payments was primarily financed by unilateral transfers. Up to 1960 Yugoslavia received $440 million in private transfers, $330 million in reparations, and $990 million in economic aid. Such transfers covered, on average, 70% of the current balance of payments deficit for that period. External borrowing took the form of public debts. Private borrowing (i.e. borrowing by enterprises and commercial banks) began after 1960 and gradually became dominant.

As unilateral transfers dried up in the 1950s, enterprises needed to secure investment funds by either borrowing from banks or, as Trbovlje showed, securing a higher purchasing price for goods they sold. The Federal Price Office set prices for commodities – a practice that continued until the 1965 reforms, although remnants persisted thereafter – and the Federal General Investment Fund accounted for over 2/3 of investment. As with prices, the 1965 reforms saw the Fund transform, and part of its function had been passed on to the special fund for regional development, FADURK. As for banking, until 1954 the National Bank of Yugoslavia controlled lending, as the only bank available to enterprises, when three specialized banks emerged, all headquartered in Belgrade, like the national bank. Once the 1961 reforms permitted regional commercial banks, enterprises predictably faced stiff competition for scarce funds. Protests started in Trbovlje, then, signaled to the federal regime that it needed to remove a major bottleneck, central control of investment left over from Stalinist industrialization.

Greater openness to the West offered one way to overcome the bottleneck created by capital scarcity. Accordingly, around the 1965 reforms federal trade policy stipulated about 3/6th of trade with the West, 2/6th with the East and 1/6th with the developing world. Relations with Comecon countries frequently had a subordinate role compared to those within NATO’s protective sphere. In qualitative terms, compared with hasty preparatory work for major trade agreements with Comecon countries, referred to as countries with “clearing arrangements” (“kliriňški aranžmani”), the voluminous documentation for bilateral agreements permitting economic emigration to Western European countries, so-called countries from “convertible areas” (“konvertabilno područje”), gave the impression of fraternal socialist countries as second order partners compared to Western exploiters. In a peculiarity of Yugoslavia’s socialism, republics played a huge role even -- Austria and Italy held protracted negotiations with the Slovenia, not federal, leadership about expending rail connections through the 1960s – while the federation played the role of both debtor and lender. The Non-Aligned and “developing countries” (“zemlje u razvoju”), the third block of countries, had access to Yugoslavia’s higher education system, infrastructure expertise and, of course, arms whose annual export value exceeded $2billion by the 1970s.

Within the space of a decade, then, Yugoslavia transformed from having no loans from the World Bank in the 1950’s to being a major lender by the early 1970’s. In the preparatory materials for the week-long country visit of Bank’s President, Robert McNamara, in October 1970 a simple statistic captures Yugoslavia’s prominence as a debtor, “With $475.7 million in loans, Yugoslavia is the seventh largest beneficiary of 87 WB member states.” On a per capita
basis, Yugoslavia approached WB’s second or third largest beneficiary. With 540 million people, India had some $1.5 billion in loans, Mexico with 50 million and Japan and Brazil with about 100 million inhabitants each received around $1 billion; Yugoslavia fell between Columbia with a population of about 20 million and Pakistan with some 70 million who both had less than a $1 billion in loans.

In 1972, after Karadjordjevo, firms secured the right to take loans abroad via a regional bank. The predictable result was increased indebtedness through the 1970s. However, in the twenty years prior, enterprises like Trbovlje had limited options – they had to plead their case to the party in order to receive investment funds. While centralized funds gave way to banks that rapidly increased the share of investment – 9% in 1963 to over 31% in 1964 and over 50% by Karadjordjevo – the association between Belgrade’s financial power, rooted in the political power of the elites entrenched in the federal bureaucracy, represented a formidable legacy of the strife. To give just one example, American Express opened its office in Yugoslavia through Atlas, a Dubrovnik tourist giant still operating, and the Zagreb Credit Bank in early January 1973, with 1,400 prescreened members, while Diners Club had operated since 1969 by Yugoslavia’s Tourist Bureau, GeneralTurist, based in Belgrade. As Trbovlje’s Socialist Alliance carried grievances to Belgrade, this public process stood for a broader practice, supplicants from Slovenia or another republic appealed for economic justice in price-setting, hardly evidence of self-management.

Yugoslavia had access to foreign financial capital and this was both the subject of grievances and of ameliorative measures from the regime sooner and in greater amounts than any socialist regime and most developmentalist regimes. While comparatively simple ameliorative measures reduced shortages of consumer goods, namely the liberalization of the foreign trade regime and franchising agreements that made for “Coca-Cola socialism,” the reforms required to satisfy the federal regime’s “internal demand” for cadres proved elusive. The strong regional parties with access to credit helped explain entity-focused domestic banking system from 1961 coupled with World Bank loans maintained higher consumption levels more than intensive growth in an integrated Yugoslav economy. The next sections show that after the 1966 Brioni Plenum Tito had to “bang his fist” to get the likes of Djordje Peklić seconded from the Bosnia’s government to the federation. This banging underscored what Cadre Commission files quantified, the Lilliputian number of cadres involved and the thus the contingency of reforms, or their absence, on personality and on cooperation between entities.

The next section also shows reformism from the point of view of key grievances expressed by republics and the distinct personalities of those who championed reformist thinking. Slovenia’s “road’s affair” (1969) spearheaded by Stane Kavčič, the “currency regime” plank of Croatian Spring (1970-1971) that Savka Dabčević-Kučar staunchly defended in Karadjordjevo, and Serbia’s debate on constitutional amendments that expanded fiscal federalism and increased provinces’ prerogatives (1971), amendments that passed during Marko Nikezić’s chairmanship of the Central Committee.

*Starving the Socialist Beast? Background and Course of Reforms*

The “big” reforms passed in July 1965 since a peculiarly propitious policy window opened domestically. Elites had not precisely planned the reforms far in advance and they had not been the immediate result of Western pressure, or conditionality, although both previous designs and Western expectations shaped (structured) the substance of reforms. True, the IMF unanimously
granted deferment of loan repayments, as had the US, France, Italy and UK. Yet, Miloš Minić opened the Yugoslav Central Committee’s 25 May discussion on upcoming reforms with a jab that the party postponed repeatedly the enactment of the Development Plan in anticipation of more reforms about which little had been firmly established other than their focus on “prices, the parity of the dinar and the currency regime.” Most of Boris Kraigher’s conversations between 1962 and 1965 focused on the expanding the energy and tourism sectors – both required long-term financing and revealed how much the need for an efficient foreign currency regime pushed toward convertibility of the dinar but that a policy window needed to open. This happened at the Eighth Party Congress (December 1964) where liberals began ascending and Tito, though using parallelism to equally condemn “particularism” and “centralism,” rejected any “single Yugoslav nation” which stemmed from unacceptable “bureaucratic centralization, unitarism and hegemony.”

To understand how a convertible currency and free trade entered the vocabulary and mind-set of erstwhile revolutionaries, the strike of miners in Trbovlje (Slovenia) in early 1958 nicely depicted the tension between investment and consumption, something that Marshall Aid ameliorated across the border in Italy and Austria. The “small” 1961 reforms showed that, absent aid and other transfers like reparations, trade with the West offered the other source of convertible currency necessary for economic growth. Although the small reforms failed, more precisely led to a so-called stabilization program by 1964 – much as the big, 1965 reforms led to the 1970 stabilization program – they permitted small but symbolically important measures such as legal buying of foreign currency in August 1962 ($50 US annually per citizen).

More substantively, they precipitated unprecedented exchange among economists, and by implication of political elites who supported them. The resulting “white book” from Zagreb and “yellow book” from Belgrade and, unduly overlooked, a studied silence from Ljubljana’s economists, outlined the main tenants of competing visions for a more (Zagreb) and a less (Belgrade) mixed economy. The Zagreb side, for whom the price mechanism and markets introduced stability into a system based on radical shifts in planning, “won” over the Belgrade side, for which more stability in the chaotic process of economic growth stemmed for better, not to say Western “dirigiste” measures, instead of Soviet-style Gosplan measures.

The implementation of the big reforms showed that both sides had been right and wrong. The premature death in January 1967 of Boris Kraigher, who directed so much of the process from the Federal Executive, contributed to back-sliding and thus to fluctuations in the economy. The crisis helped precipitate the rise of the liberal coalition around 1968. Little evidence existed that the federal civilian apparatus replicated the practices of Japan’s MITI or, more realistic, a “developmental state” like South Korea, while the 1970 high profile resignation of the Deputy Premier of the Federal Executive, Nikola Miljanić, over Croatia’s appeals on continued export (ship-building) and tourism subsidies showed the practical limits of market-based mechanisms. The rest of the section describes each of the major episodes while the next section outlines the liberals’ platform by outlining some of the key words reformers utilized.

Several scholars, most recently Dejan Jović, painstakingly reconstruct Yugoslavia’s “withering away” of the federal state in the 1970s. Newly available archival records suggest that reformers in the 1960s also supported the hollowing out of the federal state. Controls on what Tito and his closest supporters perceived as financial capital, far more than the movement of workers or commodities or even some ideas, to mention the European Community’s founding four freedoms that provide a basis for evaluating liberalizing measures across Yugoslavia, revealed the limits of reform. As key words like de-etatization of the federal apparatus and clean
accounts for investment and transfers among republics underline, the federal state visibly withered in the 1960s.\(^{192}\)

One way to distinguish hard-liners from reformers, and thus arrive at what 1960s reformism or liberalism constituted, entails first specifying what they shared and then describing how reformers attempted to tinker with the Partisan grand bargain. To begin with an analogy, in a famous article for *The Wall Street Journal*, Paul Blustein quoted an official from Ronald Reagan’s administration: “We didn’t starve the beast,” lamented a White House official. “It’s still eating quite well — by feeding off future generations.”\(^{193}\) This section examines the sincere attempts to starve a socialist beast during the 1960s, an era in the West marked by expansions of the welfare state and the War on Poverty.

The motivations and approach for starving the federal beast differed across the republics. The liberals, especially in Slovenia, attempted to tinker with the hard prohibition on financial capital, at least in Kardelj’s and then Tito’s views. Though their views had not automatically equaled a prohibition, they equaled a highly distortionary tax on the activity (e.g., joint enterprises failed to take off, émigré-financed ones as well). In 1971, Stane Kavčič proposed the creation of publicly traded bonds by companies – bonds that would be underwritten with and accrue interest for workers’ pension funds. Even without the nationalist outbursts in Croatia, the reception of the proposal that Edvard Kardelj condemned as “people’s capitalism” showed the limits of liberalism, as well as its meaning to the reformers in Slovenia.

In Croatia, the currency regime took center stage, witness the Zagreb students’ slogan, “Foreign currency to those who earn it!”\(^{194}\) As outlined at Karadjordjevo, the question who controls export earnings and “invisibles” from tourism and remittances put the question of labor, economic emigration coupled with falling fertility, as a central concern, while in Serbia reformers focused on -- ideas, including doing away with the legacy of Aleksandar Ranković. Though the attempt failed on the level of the federation, the institutional structure changed enough before the purges to allow Slovenia to develop something like accommodating (though not solidaristic) socialism, and rather different, and less favorable, trajectories in Croatia and Serbia, simulated compliance and resurgent clientalism, respectively, themes discussed in the penultimate chapter on the purges.

### Three Preconditions for the “Liberal Hour”

Scholars agree that three developments marked the beginning of the so-called liberal hour during the 1960s.\(^{195}\) Apart from the legislation passed in 1965, the other two include the 1963 Constitution, and the precipitous loss of power and purge of Aleksandar Ranković, Tito’s erstwhile right-hand man and chief of the Secret Police, between 1964 and 1966. The Constitution had granted constituent republics the right to succeed and, at the time more important, the right to challenge federal laws in the newly created Constitutional Court – a major victory of states’ rights. Kosovo gained equal status to Vojvodina. It began introducing the complex system of rotation of delegates within the Federal Assembly -- a rough equivalent to term limits within the context of a one party system -- that led to the formalized rotation of all major posts in the 1970s. Four separate “chambers of work communities,” those engaged in economic, political, educational and cultural and health and welfare labor complemented the territorially based Chamber of Nationalities in the Federal Assembly. Apart from the length, including over a dozen pages of first-principles, Article 11 gave enterprises added control over investment, as elites from Croatia and Slovenia insisted.\(^{196}\)
Whatever the formal legal changes, the consensus view among scholars justifiably holds that the policy window opened for reformers more from the removal of the regime’s stalwart of centralism and unitarism, Aleksandar Ranković. Indeed, the presence of Ranković’s security network hindered the implementation of first large-scale reforms in 1961, while the networks’ weakening permitted far greater reform efforts circa 1965, as even a casual reconstruction of the two reform packages reveals.\footnote{197}

Dennison Rusinow judiciously summarized the 1961 reforms as allowing enterprises greater decision-making to decide about their earnings (investing, saving, salaries), flat taxes replaced progressive ones on most types of enterprise earnings, and banks began to change from “de facto Government disbursement agencies into autonomous credit institutions.”\footnote{198} The initial deregulation of banking led to a rapid expansion of short-term credit, while Yugoslavia’s campaign for GATT membership pushed elites into experimenting with a single conversion rate, seen at the time as a stepping-stone to a convertible currency, as opposed to separate ones for importing and exporting activities. Devaluation, the first one since 1952, and a lifting of import quotas combined to increase the current account deficit for 1961. Importantly, Tito’s personal initiative, including a famous speech in the large port-city of Split (6 May 1962) in which he decried the socialist equivalent of conspicuous consumption, led to a reassessment of the 1961 reform package that the US had supported with some $300 million in aid. In that same vein, the triangulation of local elites led Aleksandar Ranković to criticize Central Committees in the republics for permitting “particularism, localism, chauvinism and other negative phenomena” during the Fourth Plenum of the Yugoslav Central Committee held on 23 July 1962.\footnote{199}

Per Tito’s demand for containing the effects of hastily prepared and haphazardly implemented reforms, economists embarked on the most thorough debate about the proper role of state planning in structuring the self-managed marketplace. Yet, the demand for resolution revealed a fundamental characteristic of socialist elites. Like hard-liners, reformers relied on shock therapy methods, to invoke a 1990s neologism, rooted in a combat task mentality. The regime reformed the credit system by the mid-1960s not by setting up a few pilot banks in selected areas and then making adjustments -- such gradualism was anathema as economic growth trumped stability -- but by mandating that all banks begin to make loans to enterprises.

The two groups of economics – the one based in the federal capital, Belgrade, the other the autonomy-conscious capital of Croatia, Zagreb – explained the uncharacteristic economic instability in 1961 and 1962 slightly differently. The two sides had more in common than separated them. The limited participation of economists from Slovenia in the exchange underlines the point, a topic meriting further research given that its elites indelibly shaped economic policy, not least the Ringstraβe-raised Boris Kidrič, the economics czar (1946 to 1953) and Boris Kraigher, the architect of the liberal reforms. Still, the point highlights that Western scholars focused on Serbia and Croatia (Yugoslavia as Serbo-Croatia) and points to a so-called quasi-natural experiment (the implementation of the 1961 reforms took place during the reign the World War Two era security chief, Aleksandar Ranković, while that of the 1965 ones took place in part after the purge of the security apparatus).\footnote{200}

Numerous authors rightly eschewed characterizing the 1961-1962 debate in ethnic terms, an important distinction with the 1939 or 1989 ethno-economic debates mentioned in the previous chapter. In fact, Branko Horvat, a Croat, led the federal Institute for Economic Planning in Belgrade, and edited in December what would become known as the “yellow book,” on account of its cover, \textit{Uzroci i karakteristike privrednih kretanja u 1961 i 1962 godini}, with a synopsis appearing in the main journal published in Zagreb, \textit{Ekonomski pregled} (XIV/8).\footnote{201}
Contributors to its complementary “white book,” again because of its color, included many of the future leaders of the liberals in Croatia. Savka Đabčević-Kučar contributed an article, as well as Jakov Sirotković, one her main allies in the Federal Executive as its Vice President for Economic Affairs from 1969-1972, and the Governor of Yugoslavia’s National Bank, Ivo Perišin, who would become Croatia’s Premier in January 1972.

Debates on a new omnibus Law on Banking and the more tangible price decontrols of staples, showed that calls for reform seemed to trump concerns about its destabilizing consequences. An increase in agricultural prices during the first half of 1964 included a one-time 1,500 dinar-grant to workers, an example of the “compensation principle” that bears on regional development debates (discussed in Chapter 3). Lack of standardization in disbursement – some 10% of enterprises across Serbia lacked the funds to make the payout, for example – hardly surprised given the experience of rising or lifting price ceilings for food staples. Just two days after permitting a price rise for bread, the Federal Executive noted on 25 July 1964 the chaotic, indeed “uncontrolled character” (“stihijski karakter”) of price increases across the country. Other, less symbolic, staples like sugar, oil and milk exhibited a similar, predictable trend.

Much as the Federal Executive had limited capacity to enforce higher price ceilings, a similar experience took place across republics but reformist elites, while not prepared to get rid of all price controls, explained away these negative phenomena as part of the “creative destruction” of reforms. For instance, the Federal Executive permitted black bread to rise from 70 to 90 dinars per kilo in Zagreb but, despite misgivings by reformers, it nearly doubled to 130 dinars by August 1965 and, absent the political pressure, would presumably rise still further. Keeping with the example of Croatia, at the end of November, Ivan Buković noted, “the absence of conditions for market-based formation of prices (“ekonomsko formiranje cijena”) was a result of administrative interference,” a phenomenon especially pronounced in the foreign currency regime.

His proposed policies showed the acceptable ceiling of debate, something that archival records permit us to see. The federal regime was supposed to allow firms that export to keep all convertible currency they needed to fund expansion of production, and only then would they be obliged to sell the rest to banks. Thus, non-exporting firms and others in need of currency could purchase whatever exporters had not used. Effectively, the currency regime resembled bread – a necessity, not a luxury good, whose price the federal bureaucracy controlled. Price decontrol, according to reformers like Buković, partly solved a so-called market failure of currency shortage by letting its price increase and allocating it to those with the largest willingness to pay.

Despite, or because, depending on point of view, the bread-price fiasco during the summer, the debate on the Banking Law during the late fall underlined the desire of elites from Slovenia and Croatia especially for greater “social and political responsibility of leading cadres in banks” and “decentralization of funds” from the federation to the republics. Thus, apart from fewer price controls, whether on staples like bread or foreign currency, other components of reformist thinking included fewer price controllers and fewer centralized funds. In this regard, the moderate Serb from Croatia, Dr. Dušan Dragosavac, expressed the widespread sentiment as elites discussed the politically sensitive issue of price gauging and bread: “I think it is extremely important to activate all our self-management mechanisms and our social leadership. It is not superfluous to point this out because a one-sided reliance on administrative mechanisms would be a God send to the entire administrative apparatus, it would put it in a position where things cannot get done without it and so to a certain extent this would be a huge minus for whole self-management mechanism and its affirmation.”
The 1965 Reform

The same arguments heard around Croatia for and against decontrol of bread prices replicated themselves on a much wider scale as Kraigher drafter legislation in the spring 1965, and “yellow book”-type reservations held less sway over “white book”-type proposals. Miloš Minić, a functionary from Serbia who crossed between the security apparatus and economic affairs, noted that apart from devaluation, few other details were certain as late as April 1965, including the size of the devaluation, a position shared by moderates from Slovenia like Anton Bole and Croatia’s Slavko Komar. Conspicuously few posed questions about welfare effects. Svetozar Vukmanović, a representative of the older, Partisan generation, called for equitable distribution of burdens sure to arise after widely anticipated price rises took effect and formed a veritably silent majority.

Though current historiography rightly tends to champion reformers, some thoughtful reservations expressed at the time receive too little attention. For instance, Jože Vilfan invoked the need to express currency reform as a matter of “collective social responsibility,” not just personal interest for a higher salary. The scion of a prominent Istrian family subtly objected to the pecuniary focus of reformers. Anton Bole insightfully noted that given the costs of reform, including a likely rise in unemployment, a first-order problem for socialists, “great political will” was needed to prevent the backsliding seen after the 1961 reforms. Perhaps the clearest, clarion assessment about the absence of an agreement between price-mechanism proponents and skeptics came from Mihailo Švabić. “I think that anarchy, speculation and the debasement of the dinar… the disintegration of the country is not the only alternative to the current centralized and administrative distribution of foreign currency…. We cannot permit absolute freedom in this sector [foreign exchange regime], and I do not support it.”

John Lampe sums up the reforms’ key features nicely: lowering of taxes on enterprises, the devaluation of the currency (a precondition for membership in GATT), and granting peasants access to bank credit. Two significant developments preceded the emergence of what Denisson Rusinow aptly dubbed as “laissez-faire socialism.” One was the creation of a special fund for underdeveloped regions in February and other took place in March. The Federal Executive radically changed the capacity of banks to engage in investment lending previously done by the General Investment Fund, and thus the availability of credit or investment capital for enterprises. In combination, the two actions served as a de facto promise to compensate the losers of the reforms via the FADURK (Fund for the Development of Underdeveloped Regions and Kosovo, discussed in Chapter 4), and to safeguard surpluses from federal rent-seeking via the “de-etatization” of capital. The reform package then introduced well-known measures to abolish price controls, reduce taxes (especially on enterprises), and devalue the dinar with the goal of making it convertible. Table 11 summarizes the nearly 200 legal measures, including laws, regulations and executive orders, promulgated between 1965 and 1967.

Macedonia’s Ljubo Arsov observed rightly before the enactment of legislation that his republic supported the reforms but expected FADURK to start distributing funds.

We know, there will be many challenges and problems, and these will be much greater and more difficult [in Macedonia], because we are at a lower level of economic development. The question of a development strategy for underdeveloped regions has still not been settled and, at present, the fund of underdeveloped regions still does not operate… I think that there is no excuse for so much obstruction [“ovakvog i ovolikog zatezanja”] and the absence of a fund for the development of underdeveloped regions.
The Fund’s creation at the time of liberalization suggested a kind of deal between the competing interests of richer entities, who wanted more market mechanisms, and poorer entities, who rightly insisted on the compensation principle, namely offsetting losses of the poorer regions with the gains accrued to wealthier ones. Yet, as his colleague Krste Crvenkovski, a close associate of Boris Kraigher, bluntly noted during the discussion about the implementation of the 1965 reforms, “The underdeveloped [units] think they have far more rights than those that are being offered to them.” As the next chapter outlines, elites never agreed on “equalization of burdens” (Lastenausgleich), what constituted just distribution of resources and, not surprisingly, on the mechanics and amount of compensation the wealthier entities transferred to poorer ones, and thus precluded the emergence of something like Germany’s 1950s ordoliberalism.

On a more basic level than which distributive principles apply, the absence of mediating mechanisms and institutions came through during the enactment of reforms. Mika Špiljak, a veritable hard-liner and President of the Federal Executive in 1965, accurately described the chronic problem of what Richard Stites’ called “utopian visions.” “Many of our activists approach this [enactment of reforms] in the following way: if we enact laws and reforms and do all that, then we’ve solved all our problems – and, well, then the reforms are doomed. I think that the reforms are, as Tito said, “almost a revolution.”

The socialist penchant for shock therapy explained the approach, as exemplified by Špiljak’s defense of administrative agencies in early September. Elites first passed reforms staring in July and only in August began explaining to the bureaucracy what had happened. “Maybe there is too much noise and name calling that they [line agencies] are responsible. However, it should be said that in the entire preparatory process that lasted a few months in enterprises and the public, we completely left out public agencies, and only a month after passing the laws did we begin to inform them in earnest about all the details. [We] were all running late and we cannot put all of that on their bill.”

While elites had no plans for pilot programs, some pacing and sequencing of reform measures had taken place. For instance, republics first received a part of the erstwhile federal turnover tax in 1965, and only then had the federation decreased its role in investment in gas, oil and cement facilities in 1966, after a better sense existed about the funds available to the federation. Records revealed which measures elites considered reformist. Previous analysis could not answer precisely what counted as reformist laws although analysis carefully outlined the laws’ predictably disruptive effect on every aspect of society – the lifting of the price freeze led to virtually overnight price increases in food, electricity, transportation and other goods of some 30%.

Ivan Baković of Croatia’s Chamber of Commerce captured the reformist spirit when observing that the reforms had not created unemployment but the other way around and that reforms will “continue to unfetter excess employees” and will lead to the “liquidation of certain unprofitable enterprises.” These “positive developments,” as he described them, seemed at odds with figures: between 1965 and 1966, employment in the state-controlled, social sector decreased by some 97,000 (2.7%), and specifically by 28,000 (6.9%) in the primary sector of the social sector (agriculture and mining) and by 48,000 (3.1%) in the secondary sector of the social sector (including 33,000 in construction alone). While some elites from Slovenia resolutely called for an end to autarchy in the economy, during the same discussion in the summer of 1967, some from Macedonia invoked Lenin, “there is no socialism without planning.” Yet, by this time Aleksandar Ranković and a good part of his network had been purged, and thus reforms continued, there was no “treadmill of reforms” effect.
In these crisis conditions, a policy window opened, and an older generation of strategic cadres thrust a younger generation of reformers into leadership positions. With the benefit of hindsight, then, prior to the purges (1971-1974), the reform process passed through three stages. The phases of reform emerge by looking at the content as well as the tone of internal debates. The initial stage encompassed the breakneck passage and implementation of legislation during 1965 and it stretched until the premature death of Boris Kraigher, the architect of the reforms as the President of the Economics Committee of the Federal Executive (Federal Minister of the Economy).

In the first phase, the Partisan generation strategic cadres like Kraigher, Kiro Gligorov and Vladimir Bakarić wielded the most influence reformers had had since the heady days of Milovan Djilas’ apogee in the late 1940s. Indeed, in early December 1966, Kraigher announced what he believed would be the second phase of reforms for the first half of 1967. He saw the second wave of reform laws as one defined by a “new foreign currency regime and trade regime; stabilizing dinar is essence of reform – this is that war which requires organization and discipline; backsliding is a ‘stab in the back.’” Precisely these issues animated grievances discussed at Karadjordjevo, a point discussed below.

His death in January 1967 automobile crash, and the leadership vacuum it created, enabled the rise of the reform coalition by early 1969, the start of the second phase and one unimaginable if Aleksandar Ranković’s network had remained intact. During the first phase, the old guard proved clearly incapable of the task and, wisely, passed on key leadership positions, and attendant political responsibility, to a younger generation of protégés, a topic discussed below further. The protégés, now collectively referred to as the liberals, had practically no input in the design of the reform laws or in the critical, first phase of implementation and primarily introduced “ad hoc” stabilization measures that would nonetheless made Yugoslavia an innovator in the Non-Aligned world.

The so-called stabilization program of 1970 comprised the third, penultimate phase before the purges. The tenor of debate changed -- reforms produced so much disruption that the economy required stabilization. Like the 1961, the 1965 reforms required more, not less coordination of economic activities, something that the liberals’ proposed solution -- clean accounts -- had no mechanism for realizing. The political solution for the economic crisis partially emerged in the form of the 1968 and the 1971 Amendments to the 1963 Constitution – further decentralization followed economic crisis, not a Soviet-style treadmill where failed economic reforms led to political recentralization.

The Liberal Coalition from the Constructive Conflict during the 1969 “Roads Affair” to the Emergence of Tenancy with the 1971 Amendments

Between Leszek Kolakowski’s assessments that after 1968 Marxist revisionism suffered “clinical death,” and Adam Michnik’s 1976 articulation of “new evolutionism,” a platform for workers and nascent civil society that gradually pulls away the party’s pillars of support, the liberals in Yugoslavia came closest to articulating an internally-driven revision of the AVNOJ bargain. In Yugoslavia, the year 1968 saw the rise of powerful reformers – who, in fact, had not hesitated in quelling student unrest and the Praxis Marxist humanists who formed one source of the inspiration for that unrest. Equality, a major theme of the next chapter, suggestively points to the disconnect between official, party stances and apparent strong but officially retrograde popular expectations for increasing living standards.
When we speak about equality, we should state clearly that socialism is not a system of equal salaries, but rather that the socialist principle system – precisely because it is based on rewards according to the results of labor [i.e., labor productivity], and not just labor, because just working does not mean the same thing as the results of work – is a system of inequality. And we should be clear about this, and at the same time we should do all we can to empower people, to enable them so that everyone can get to a level that they think corresponds to their abilities, and that enables them to get an education and qualifications and get a better job and to produce more productively and so on.

Yet, concerns for equity and not just for equality, permeated the 1968 student protests, especially those at Belgrade University but Zagreb and Ljubljana’s as well – a favorite Belgrade slogan read “Down with the red bourgeoisie” and one in Ljubljana proclaimed “We support Belgrade students” -- and served as a part of the platform used by hardliners to purge the reformers.

With student’s urging a return to “primitive communism,” the rise of liberals seemed striking especially since veto players selected them. Unlike high officials, for instance the Undersecretary of Finance from Bosnia, Djordje Peklić, whom the Cadre Commission transferred to the Federal Executive in 1964, veto players coxed or negotiated with strategic cadres rather than merely seconding them. The case of Stane Kavčič’s resistance to transfer from heading Slovenia’s to heading Yugoslavia’s government (Federal Executive) epitomized this aspect of “kadriranje.” Coxed or not, veto players picked the strategic cadres, the 1960s liberals as well as their successors in the 1970s – Vladimir Bakarić picked Savka Dabčević-Kučar, Tito approved Marko Nikezić’s transfer from the Federal Secretariat of Foreign Affairs to the chairmanship of Serbia’s Central Committee.

How was the simultaneous rise of reformers in the three most influential republics possible? Apart from removing hundreds of officials in the security apparatus, republics took over cadre policy after Ranković’s purge in 1966 during the Brioni Plenum. As historian-politician Dušan Bilandžić noted in the mid-1970s:

Until the Brioni Plenum of the Central Committee of the League of Communists, the nomination, appointment and replacement of higher and middle range cadres was often exercised by the [federal] Central Committee…. Such practice created bureaucratic obedience to the organs of the federation. After the Fourth Plenum of the Central Committee that right completely shifted to the organs of the republics…. Now that important decisions were no longer taken on the federal summit, contacts among representatives of the republics were strengthened in the form of bilateral and multilateral visits of state and party delegations.

This structural change in party organization enabled the emergence of liberals after the 1966 Brioni Plenum, just as it would enable the emergence of more republic-oriented elites after the purges whose prerogatives began to resemble those of the European Union’s Council of Ministers once the 1974 Constitution fully enshrined veto powers for entities.

Reformers from Croatia and Serbia received more scholarly attention than those from Slovenia and Macedonia before, during and after the Cold War even taking into account their activities beyond reformism. For instance, Savka Dabčević-Kučar had a notable political career after the disintegration of the common state while Marko Nikezić served as Yugoslavia’s Ambassador to the United States (1958-1962). The purges offer a propitious place to present the biographies of the reformist triumvirate from Croatia that included Miko Tripalo and Pero Pirker, and described as Bakarić’s “less astute disciples,” and the ones from Serbia that included Latinka
Perović and Mirko Tepavac. The focus here is on the less well known reformer in West, Stane Kavčič, described as Boris Kraigher’s “brilliant understudy,” while the next iteration of this project expands the treatment to include colleagues from Macedonia.224

A worker before World War II and Partisan functionary during the war, Kavčič exhibited unusually lucid writing and limited reliance on phraseology. For instance, he noted on 5 July 1956, on the occasion of ten years of socialist economic policy, that economic conditions are “the most stubborn, they are least susceptible to influence by politics. They [economic conditions] do not change due to desire or goodness, but only due to material determinants.”225 His role in the 1958 Trbovlje miners’ strike as rapporteur and his role in closing the first pseudo-independent journal, Perspektive, in May 1965, during his presidency of Slovenia’s Ideological Commission of the Central Committee (1963-1967) showed his commitment to making socialism, and not some garden-variety social democracy, function better. He first tried to convince the young contributors to tone down their critique, but he did not hesitate to take coercive action once they openly called for a multi-party system.226 In the summer of 1971, he accepted the sanctioning of deputies who nominated a non-cadre for elective office.227 His supposed reluctance to close down the journal, though used against him during his purge (1972), ought not to obscure his commitment to the party.

The brief but intense sparring during the summer of 1969 between Stane Kavčič and better known, and older, cadres from Slovenia like France Popit and Mitja Ribičič, then the President of the Executive Council, amply demonstrated his political talent and the reformers’ concern over the distribution of capital as central to Slovenia’s development. Recent scholarship shed light on the so-called “roads affair” based on records in Slovenia but has not substantially revised the assessment established by Steven Burg that the affair frayed the nascent liberal coalition just as it emerged.228 The maelstrom showed a remarkable feature of a non-democratic polity to engage in constructive conflict, as oppose to the better-known pattern of obstruction and destructively non-cooperative political machinations. Indeed, both the currency regime and Amendments debates exhibited these features of reformist elites even as scholars rightly point out the limits, the “red lines” inherent in triangulation based on purge politicking, as the purges of reformers amply underlined.

On 22 July, Slovenia’s media carried an otherwise innocuous bit of news that the Federal Executive submitted several new projects to the World Bank.229 Within an ongoing series of loans for road and rail modernization (summarized in the Introduction), the Federal Executive submitted a project for a highway connecting Belgrade to Vojvodina’s capital, Novi Sad, another for connecting Kosovo’s capital, Priština, to the other major hub in Kosovo, Peć, and to a major hub in southern Serbia, Niš. The two other projects within this fourth cycle included a highway between Bosnia’s capital, Sarajevo, and a nearby major industrial center, Zenica, as well as a coastal highway between Bar and Ulcinj, underdeveloped parts of the Montenegro’s coast with local Muslim and Albanian majorities. The Federal Executive apparently excluded two sections of highway from this round of submissions for financing done on a familiar formula -- 60% covered by the entity and the remaining 40% by the World Bank, with the stipulation that this translated into some $30 million of Bank loans.

However, the Federal Executive also failed to submit several sections of freeway that it had already agreed to submit to the World Bank. One excluded section connected Vrhnika, and thus nearby Ljubljana, to Postojna, a link to Trieste, Italy, estimated at nearly $20 million, another connected the industrial cities of Maribor and Celje (the suburbs of Hoče to Levec), estimated at over $11 million.
While the Bank judged the projects as both economically feasible and, as important, technically ready, federal fiat placed other, essentially technically incomplete projects ahead of projects entities and the Federal Executive had agreed upon during the spring of 1969. Despite the vocation season, in the two weeks after the announcement at least 25 municipal assemblies across Slovenia, in addition to local party cells, Socialist Alliance organizations, and other "social-political" organizations met and sent angry protest letters to the Slovenia’s and the Federal Executive Council. On 1 August, Executive Committee of Croatia’s Central Committee publicly announced that the Federal Executive needed to revisit its decision; other entities, Macedonia in particular, strongly criticized Slovenia’s leadership. On the level of mass media, a veritable and heretofore unseen media blitz about the “furious mood” across Slovenia catapulted the roads issue to the top of the agenda. Especially in the border cities of Nova Gorica, where the protests stared, by the Italian border, and Maribor, by the Austrian border, written protests accompanied television features and some 50 news items in the main daily, Delo. Modern public relations ceased being Tito’s exclusive prevue, a point somewhat neglected in scholarship, and gripes about federal economic management thus became a valid expression of dissent for mass-media airing.

Rather than merit, this publicity blitz that included testimonies of irate motorists occasioned Tito’s intervention by 7 August. In just over two weeks, as Tito said to the Executive Bureau of Yugoslavia’s Central Committee, the party inner circle that met at Brioni, the very public food fight over development loans gave the outside actors, including creditors, the Non Aligned and the Soviets, the impression that “we look like we are squabbling over dollars.” Such public exhibitions of disunity “tear down the unity of the common state.” Mitja Ribičič likewise focused on the perception of disunity rather than on the merits of Kavčič’s objections that a preexisting agreement had been overturned without adequate consultations. More relevant for reformism than the extent to which procedural norms had been violated, Kavčič adroitly replied that charges of nationalism overlooked the fact that Slovenia accepted in the past changes to loan prioritization when there had been adequate consultations. He specifically mentioned that Kiro Gligorov, Boris Kraigher’s close associate on reform design and implementation, asked that Slovenia wait out a Bank cycle so that the Belgrade-Bar railway can get critical funding in 1964.

Tito, of course, carried the day. The Federal Executive had not reversed its decision, but neither had Kavčič resigned. During a two-day session of Slovenia’s Central Committee at the end of August, Edvard Kardelj set the party line in a 70 page expose – elements hostile to self-management would continue to operate in society for some time, requiring vigilance of true socialists. Yet, a point absent from most treatments, Slovenia got the road loans in next year’s cycle, and opened the 35-kilometer stretch in December 1972 – Tito attended as the guest of honor – and formed a public corporation for building roads that still operates. Another point overlooked was that one reformist-oriented politician communicated with another effectively. In this case, Gligorov worked out the matter with Boris Kraigher, Kavčič’s mentor. Ethnic ties played a rather negligible role in the immediate confrontation between Ribičič and Kavčič, or the more deep-rooted confrontation between the hardline approach of Kardelj and Popit and those around Kavčič like Leopold Krese, President of the Slovenia’s Chamber of Commerce, and the more moderate Sergei Kraigher.

Rather than a striking failure of cooperation among reformers, the affair showed the dividing lines between reforms and hard-liners across the country. After the purges, arguably clearer examples of non-cooperation emerged. Keeping with the theme of roads, Slovenia’s Executive Council (Government) opted to allot funds for roads to Austria in 1982, not to the
Brotherhood and Unity Highway, since Vojvodina refused to do its share of the building and thus the Highway would not in any event be completed. In a representative system, local assertiveness might have counted as evidence of a muscular pluralism but the public, and popular, dissent within a “closed society” carried risks for regime stability, as the student protests in Belgrade and Priština during 1968 showed as well as those in Zagreb in 1971.

If the reformist acceptance of creative destruction helped explain what may be called a Richard Cobden-like impulse of reformers, the roads affair helped reaffirm in the eyes of the hard-liners the sense that pecuniary interests around trade threatened to undo well-established practices. Slovenia’s liberals demanded WB loans, whereas the Executive Council clearly favored the south – a striking example of the compensation principle gone awry. Contemporaries acknowledged that Slovenia’s GNP exceeded five-fold that of Kosovo and four-fold that of Macedonia (about $926 compared to $200 and $250, respectively). Yet, the difficulty of designing the FADURK program showed the difficulty of transferring wealth, as had the roads affair. As Milena Štiftar noted during a Central Committee meeting, “communists have asked the Central Committee to prepare a study as soon as possible detailing the position of Slovenia within Yugoslavia and the transfer of all funds, in both directions [Belgrade to Ljubljana and vice-versa], so that we can at long last have a factual basis for a discussion …. The continued colportage of a theory of mutual exploitation makes our co-existence untenable.”

The struggle to define what constituted just and transparent distribution of burdens and benefits of the common state persisted into the 1970s, and beyond. The stabilization program for the economy, announced in 1970, confirmed as much. The program receives too little attention in current scholarship on Yugoslavia and, more broadly, the various attempts at stabilization in a socialist context receive practically no attention in studies of austerity, whether “expansionary” or its very negation.

Reformers largely agreed on the diagnosis. Administrative measures predictably failed and various machinations with transfers, whether export subsidies or cheap loans to underdeveloped regions simply delayed the reckoning. Slovenia’s Executive Council argued for a cut in transfer payments to FADURK and the Yugoslav Army: fewer transfers freed resources for investment. Yet, subsidies for shipbuilding or tourism counted as transfers, according to Serbia’s liberals, not as strategic investment. Macedonia’s Aleksandar Grličkov in an unusually candid exchange with Tone Tribušon spoke in that same Slovenia’s Executive Council that urged limiting transfers to Macedonia. “Whenever we have balance of payments problems, we implement administrative measures, and we don’t get desired results, not in 1953, 1956, 1957 or 1963.” The absence of some forum like the European Coal and Steel Community or an intermediary institution to arbitrate in coordination and commitment issues critically complicated the stabilization program, as it turned out the last chance the liberals had to maintain political power.

A series of consultations among economists, culminating in the November 1969 Annual Meeting of Yugoslavia’s Economics Association, outlined the need for coherence in economic policy visible in the growing insolvency of enterprises that Tito publicly acknowledged in October 1969. While Aleksandar Bajt presciently urged that increasingly high inflation made economic growth illusory, and that anti-inflationary policy ought to be at the core of the stabilization program, nothing significant happened with the commission of exports led by another eminent economist from Slovenia, Svetko Kobal.

In the aftermath of Richard Nixon’s visit to Belgrade and Zagreb (30 September -1 October 1970), and the Lusaka Conference of the Non-Aligned Movement, the Yugoslav Party
Conference proposed a stabilization program. The initial proposal included a price freeze, import restrictions and decreasing available credit for consumer goods. Serbia’s Executive Council flatly rejected the program on 17 November, causing a nearly unprecedented and immediate resignation of Nikola Miljanić, the Deputy Premier tasked with devising the program in the Yugoslav Executive Council (Federal Government). The rejection of the program stemmed in part from the program’s abrogation of a critical liberal cause, abolishing all federal subsidies except aid to underdeveloped regions. Two big issues included, first, Croatia pushed and got a brief continuation of export subsidies for shipbuilding and machinery as well as subsidies interest rates for tourism – but not a wholesale change of the foreign currency regime. Second, the Federation would take the repayment of all loans incurred by the republics except those loans taken from the Yugoslav Investment Bank.

The back and forth continued into the spring of 1971, when the Federal Executive received some prerogatives to monitor investment spending of republics and provinces, in order to prevent deficits, new powers to set import tariffs and set turnover tax rates. Additionally, each republic devised its own stabilization program, with Montenegro resisting policy changes, on the one end of the spectrum, and Slovenia opting to limit enterprise insolvency via some debt restructuring and focusing on its growing trade deficit with the Western trading partners. Yet even in Slovenia, a public survey revealed that the largest share (over 40%) of the almost 3,200 workers surveyed in 100 enterprises in November 1970 had no idea how the stabilization program proposed by the Federal Executive affected their enterprise.

The emergence of the stabilization program in 1970 and 1971 had decidedly changed the tenor of the internal and public debates. The phraseology in official internal publications changed and references to reform decreased as references to stabilization increased. Tito’s support for stabilization opened some room for a bargain, although not a grand bargain that augmented the AVNOJ bargain. Unlike the 1969 roads affair, the stabilization debates turned into a missed opportunity, a non-event meriting additional research. Provisionally, local elites, whether reform or hard-liner, made concessions on foreign loans and remittances from abroad with greater political ease than on closing unproductive enterprises at home: reforms had some success with the former, comparatively low-laying fruit, while the latter showed reforms or stabilization required more, not less coordination between competing levels of government.

Stabilization presented an opportunity to deal with the “colportage” of claims of mutual exploitation, while the constitutional amendments prepared by Edvard Kardelj represented another, better-studied attempt. The locus of policymaking shifted from stabilization and reformist laws to constitutional matters and new institutional arrangements – an instance where economic failure contributed to political decentralization. Even if stabilization succeeded spectacularly, it seems unlikely that Edvard Kardelj would have abandoned his opaque plans for enacting the first self-managing society, yet the poor macroeconomic conditions helped overcome significant criticism from all sides about further decentralization. During Serbia’s Central Committee session in January 1971, Branko Perišić, the mayor of Belgrade (1964-1974), wryly captured the sense of crisis, “the revolution ate the children; now the children are eating the revolution.”

Constitutional amendments XX to XLII, enacted on 30 June 1971, continued with fiscal federalism but most scholars focused on the increased political power of republics and provinces and creation of a collective presidency. As the outline below shows, the 23 amendments drafted and revised along the stabilization programs of the republics, provided perhaps the best expression of the kind of cooperation among regions with divergent interests that reformers...
believed possible within the confines of a single party system. As Marko Nikezić noted during three-day marathon discussions of the amendments in Brioni during April, failure to enact them “would amount to introducing receivership over nations.” Changing constitutions, it turned out, proved easier than sticking to painful macroeconomic measures.

After 1968, for instance, provinces adopted their own constitutions and formed their own judiciary, yet with the 1971 amendments, autonomous provinces independently sent their own cadres to all federal institutions, including the Federal Executive Council, the Constitutional Court, and Parliament (amendments XXXVI; XXXVIII; and XL). The expanded role for local cadres appeared also in the requirement of prior consent of provinces along with republics for any changes to the Constitution, something that effectively made recentralization of civilian institutions contingent on the agreement of provinces (amendment XXXII). The federation required the consent of republics and provinces for all funding streams, except for so-called obligatory loans for the regional development fund, FADURK (amendment XXXIV), while the principle of free exchange of labor, rather than fiscal measures (taxes) supposedly covered educational, welfare and health functions (amendment XXI), one dramatic instance of Kardelj’s commitment to self-management.

Most Western scholars, among them Steven Burg and John Lampe, rightly point out the unwieldy decision-making process, exemplified by amendment XXXII that introduced the unanimity requirement on passing significant legislation and thus represented a “back-door veto,” a phrase from Jovan Djordjević, Serbia’s foremost legal scholar and purported co-author of the 1963 Constitution. From the point of view of reformers, however, the amendments represented an institutional realization of the AVNOJ bargain modernized to include a host of economic issues and substantive autonomy for both provinces and republics. While Slovenia’s reformers struggled with the distribution of capital, Croatia’s with “invisibles” earned by its burgeoning tourist trade and, especially socially disruptive, send back by several hundred thousand recent economic émigrés, contemporary debates showed that Serbia’s reformers struggled to define or redefine the role of Serbia within the federation.

Perhaps the most incandescent episode in the official six-week public debate period took place during a meeting organized in Belgrade’s Law Faculty (18-22 March). Professor Mihailo Djurić argued that the amendments led to the “complete disintegration of the Serbian nation,” something that occasioned immediate coercive measures including a nine month jail term for him. While a number of legal scholars outside Serbia expressed reservations, including Slovenia’s Majda Strobl who participated in the drafting process, and Edvard Kardelj himself intimated the likely revision of voting procedures, the views of Serbia’s Jovan Djordjević attracted the most scholarly attention.

Jovan Djordjević and another presenter at the Law Faculty meeting, Kosta Ćavoški, articulated most trenchantly the view that the unanimity requirement effectively guaranteed gridlock, views whose censorship only ended in 1989 with a republication of the officially banned proceedings from the conference. While neither shared Djurić’s fate, their criticism had consequences – Ćavoški, for example, received a five-month jail sentence and lost his professorship by 1975 – their views meshed well with the reservations of a number of strategic cadres. Dragoljub Marković, the hard-liner who headed Serbia’s government (Executive Council), noted gingerly the reservations that persisted among elites during a March 1971 interview in Yugoslavia’s largest daily, Politika. “In all previous as well as the ongoing lengthy discussions we have not been able, either politically or legally-formally to clarify what it means
that autonomous provinces are an element of Yugoslavia’s federalism but that they are not federal units.”

The strong reaction against the amendments prompted Tito to summon elites to Brioni in late April. Latinka Perović, the Secretary of Serbia’s Central Committee, flatly stated that Serbia had not been “the center of resistance” to the amendments and in fact, “Serbia’s economic interests were embedded” in them. Her boss, Marko Nikezić agreed and expressed perhaps most clearly why a year later, in a meeting among Serbia’s elites who openly expressed divergent views. “Every form of privilege and domination will in the end be presented,” Nikezić reasoned, within the federation as “a question of Serbian nationalism in some more contemporary form.”

Practically unnoticed in voluminous subsequent analysis heavily focused on outbursts against in Belgrade and support for the amendments in Zagreb, Slovenia’s hardline Central Committee head, Franc Popit, articulated why amendments also precluded the emergence of republic-level etatism (“republiški etatizem”). The Constitution gave workers’ rights, not republics, and thus both political decentralization and unity remained compatible with each other since both served the interests of the working class. By devolving powers to the entities, Popit continued, popular criticism of the Federation decreased. If the ideological assumptions now appear febrile – the Constitution guaranteed all sorts of rights, but political trails nonetheless took place – they had a role in the deliberations around the amendments even though more mechanistic, pragmatic political reasoning such as passing laws to divert popular discontent remains the focus of scholarly analysis.

The April 1971 Brioni Presidency meeting, allegedly interrupted by a phone call to Tito from Leonid Brezhnev, who inquired whether a state of emergency had been called, ended with a confirmation that Tito served as the arbiter in chief: Amendments would go through and all elites agreed to check nationalism. The subsequent process of amending the constitutions of republics and provinces to make them compatible with the amended federal constitution showed the relative strength of Central Committees. In Croatia especially, the journal *Hrvatski tjednik* run a series of articles, staring in September 1971 that saw the airing of unacceptable views, including that each republic requires a separate seat in the United Nations. Throughout, grievances expressed in Serbia about the amendments remained confined to elite discussions and media coverage but had not spilled into broad public demonstrations, unlike during the 1968 student protests and unrest in Kosovo. Plausibly, without the heavy hand of the Central Committee, public expressions of grievances might have resembled those around the roads affair in Slovenia and the budding ones across Croatia. During a July 1972 meeting, where Serbia’s Central Committee openly recognized the untenable position of Marko Nikezić, hard liners had not objected to his assessment that the Central Committee had a unified stance and fought for two years the rise of a “unitarist wave” that swelled in response to “separatism in Croatia.”

Demarcating the “coasts of Serbia” via the significant expansion of autonomy rights of provinces helped turn the common state from a communal apartment to a tenancy, something liberals saw as being “embedded” in the economic interests of Serbia proper. As provinces increased power within Serbia, so republics increased power within Yugoslavia, and just as it became unclear where precisely the sovereignty of Serbia ended and that of its provinces began, so it became increasingly unclear after the 1971 amendments where precisely the civilian authority of federation ended and that of republics began.

The economic sphere showed the withering away of federal civilian structures as well. The National Bank of Yugoslavia, practically the only bank until 1954, now had independent
branches in the entities, so that the National Bank of Kosovo began operating in 1972. Noted Branko Horvat with lightly concealed scorn,

In the general mood of decentralization and ‘defederalization,’ the Nation Bank appeared much too central and too federal. Six states and two provinces acquired their own national banks and their own governors, eight altogether. The Council of Governors of the national banks became the supreme monetary authority. The Council – that is, the National Bank of Yugoslavia – determines the general rules of behavior and the global framework of monetary policy. This includes the issue of new money and its distribution among member banks, the determination of minimal reserves, minimal reserves, minimal discount rates, maximal credit ceilings, and the like.\textsuperscript{251}

A short step remained to the “consociational” arrangements present elsewhere in the civilian apparatus with the so-called “key system” of posts rotating between entities.

The intermediate step taken in 1971 to form National Bank branches in republics and provinces provided the context for better known economic measures associated with the 1974 Constitution. For instance, with the 1974 Constitution, republics and provinces had to give their consent prior to the adoption of most laws concerning the economic sphere (Article 286), while Governors from entity-based National Banks voted along with Governor of Yugoslavia's National Bank on policy.\textsuperscript{252} While the emission of money remained the purview of the Yugoslavia’s National Bank, the voting mechanism clearly limited the Bank’s autonomy. The example of the decentralizing the central bank suggests how political elites assumed, or had to assume under Edvard Kardelj’s shadow, that self-management systematically decreased the so-called transaction costs (for example, costs associated with making an agreement and assuring that all sides stick to the agreement, called bargaining and enforcement costs, respectively).\textsuperscript{253}

Whatever the precise economic powers of the two provinces, the newest tenants with voting powers, the amendments had unintended consequences. For instance, the liberals, especially in Slovenia, attempted to tinker with the hard prohibition on financial capital, at least in view of the regime’s chief ideologue, Edvard Kardelj, and then Tito’s view. The director of the “Jutranjka,” a large textile firm, and Stane Kavčič, who invoked the intent behind the 1971 Amendments, publicly proposed the creation of interest-earning bonds by enterprises which their workers’ could purchase in a debate that Tito followed. Kardelj and Roman Albreht retorted that stocks, and thus joint stock ventures, create profits based on alienation of labor, and are in turn effectively contrary to the intent of the amendments and thus incompatible with socialism.\textsuperscript{254} Even without the nationalist outbursts in Croatia, the bond scheme proposal showed the discreet limits of liberalism, as well as its meaning to the reformers.

Popular Grievances about Foreign Currency after the 1971 Amendments: Triangulation Turns into a Triple Bind

In July 1971, the Federal Statistics Office published \textit{Statistical Bulletin 679}. \textit{Bulletin 679} provided emigration figures at the municipal level, but studiously avoided analysis of the collected information. The publication also included the educational background of migrants, their profession prior to leaving, as well as their country of destination. While the 1971 Census received more attention for recognizing Muslims as an ethnicity, and not as national Yugoslavs, the census provided heretofore-unavailable data on external migration, an unintended consequence of the liberalized travel regime that counted as a major achievement of progressive elements within the regime.\textsuperscript{255} The official presentation showed how raw data became
information, in fact very useful information. However, the regime had not taken that information
and transformed it into evidence or, to use contemporary expression, framed the information into
a narrative. Croatian Spring supporters, however, took that step. They turned government
information into evidence of a government failure: of some 650,000 who officially emigrated
between 1961 and 1971, some 220,000 were Croats from Croatia.

By the early 1960s, the regime saw émigrés “the largest source of foreign currency,” and
had little to do with the “quislings who retreated with the Germans” at the end of World War II.
Yet, the regime struggled to devise a policy beyond permitting émigrés to leave and send
back remittances. Not surprisingly, then, emigration features prominently as a grievance. A day
after Karadjordjevo, a top-secret memo transcribed the speech of student leader Dražen Budiša
during a rally. “We are accused of having connections with foreign elements. I confirm here: the
only connection we have with foreign elements is moral solidarity with 600,000 Croats working
abroad /strong applause/. It is not true that workers are not with the students.”

Even in Croatia divergent opinions existed about how to fix the currency regime. As Dr.
Dušan Dragosavac, a moderate Serb from Croatia, noted in 1969, “if you ask exporters they’re
for the new system, and when you look at those who import, then they are for the current regime.
We have to decide, although it is a painful decision…. When tourism is in question, then more or
less everyone is for giving foreign currency to firms, and in the same tourist towns, when we
asks ship-builders, then they are not for such a position.” The follow-up question from an
economist revealed a part of the answer for such divergence, “Can you get us accurate figures on
foreign debt and trade with convertible and clearing arrangement areas?” Yet, a far clearer
sense existed about the ethnic make-up of the consular staff to deal with émigré issues, and that
the new staff needed to reflect the ethnic structure of the émigrés. Simply put, the federation
needed to hire more Croats to work with Croat economic migrants.

One simple calculation the Federal Statistical Office had not published in 1971, or for
that matter after the 1981 census, concerned the propensity of each ethnicity to emigrate abroad,
although such figures existed migration between republics. Over the twenty years covered by the
1971 and 1981 censuses, the differences between Croats and Serbs narrowed but remained
significantly different: for Croats, the propensity decreases from about 5.9% to 4.9% over the
twenty years (1960-1981), and for Serbs the propensity increased from 3.0% to 3.2%. A simple
ranking of municipalities with the highest rates of emigration revealed the
overrepresentation of those in the Habsburg Military Frontier. Of 10 municipalities where the
emigration propensity in 1971 equaled 10% and higher, three were in the Military Frontier
region, and in 12 of the 14 Military Frontier municipalities the propensity was above average
the exceptions include the regional center, Knin, where many administrative jobs offered
employment and Slavonski Brod, another administrative center and wealthy agricultural center).

Further, comparisons of average emigration rates on the level of federal units, which is what
most official publications and public statements present, hide more than they reveal. With an
average emigration rate of over 3%, Yugoslavia’s appears comparable to those of neighboring
Italy and Greece, as well as Spain, and the higher rate of over 5% observed in Croatia as a whole
broadly in line with high emigration regions in these other Mediterranean countries. Crucially,
while all these sending Mediterranean countries shared many structural similarities – economic
underdevelopment, recent experience with large-scale political violence, unequal human capital
development -- Yugoslavia’s multiethnic character stands out.

Emigration rates on the municipal level supported claims voiced during the Croatian Spring.
Croats from Croatia emigrated at significantly higher rates than their Serb neighbors had, and
what is worse had done so from Serb-majority municipalities. Before any unpacking of an assertion such as this, it is worth asking how could the regime make a public statement to that effect if Tito considered well-montaged statements of irate motorists as evidence of “fighting over dollars”? The regime could not, and so Tito and his allies condemned unambiguously at Karadžordjevo the noxious confluence of economic grievances and ethnic concerns as nationalist. Yet, as Vladimir Bakarić, arguably the most powerful strategic cadre from Croatia bluntly recounted during Karadžordjevo how the regime actually set the regime. When Mika Špiljak, the President of Croatia’s Executive Council (Government, 1963-1967), raised the issue of changing the regime with the president of the Federal Executive Council, Petar Stambolić (1963-1967), Stambolić replied, “Leave the currency regime alone, and you can have [federal funds for] tourism and favorable interest rates. And so an unprincipled agreement had been reached. The currency regime remained unprincipled, and the policy towards tourism and export subsidies for equipment as well.”

Like unprincipled behind-the-scene deals, principled condemnations failed to address the perception of an exodus of Croats from Croatia, and suggest the need to examine grievances more thoroughly than current scholarship has done. The chapter on purges takes up this task, while the next section examines some of the main concepts liberals promulgated. As rhetorical devices, they now exhibit an inadequacy or plasticity unsuitable for addressing the colportage of mutual exploitation, let alone the destruction of one nation and exodus of another. Yet, the attempt to expand the Partisan bargain into the economic sphere via the price mechanism seemed like a long-run solution to immediate, dramatically immediate problems.

“The continued colportage of a theory of mutual exploitation”: The Key Words in the Reformist Platform

Like hard-liners, the liberals agreed more on economic than on political and social (national) issues. In terms of economic issues, the liberals shared three tenants around which they all expended political capital. The first concerned political and economic decentralization of decision-making, a concept they called de-etatization. While developmentalist regimes relied on a strong state, the liberals pushed in the opposite direction. The second concerned paying labor its marginal value and moving away from wage equalizing measures, and away from the so-called great compression of waves even though this had negative social effects. Income inequality increased during the 1960s, a point discussed in the next chapter (Gini in 1963 was 0.31 and by 1978 0.35).

The third tenant concerned transparency in financial matters. The reformers insisted on so-called “clean accounts” between the federation and the republics. Given their support for decentralization and against wage equalization, that liberals also pushed for a market-defined “rental rate” of capital, as opposed to federation-defined rental rates (interest rates), hardly surprises nowadays. On their face, these actions recalled the interwar measures to create a substantially autonomous Banovina of Croatia described in the previous chapter but this time across the entire country, where self-management organized economic activity. The precipitous fall in the share of the federation in the disbursement of investment funds testified to their partial success. Before of the “small reforms,” whereas federal and local governments controlled over 50% of funds for capital investment and banks less than 10% in the early 1960s, but by the early 1970s, governments controlled some 15% of the investments and banks over 50%.
banks located in republics need not have kept “clean accounts” themselves, the point remained that the central government controlled fewer financial levers after the liberal hour.

Other conceptual frameworks are possible, yet subsequent chapters build on the approach to reforms as a change of government policy toward the two major factors of production, capital and labor. These “keywords” thus provide a largely neglected opportunity to present the elements of reformist thinking about the factors.

De-Etatization and the Transition from Extensive to Intensive Growth

The transition from extensive to intensive growth clearly inspired reforms, and served as a justification more than a blueprint for decentralizing political and economic power. An article by economist Rudolf Bičanić clearly stated as much in a 1966 article in *Foreign Affairs*. It has now been recognized that the main Yugoslav economic problems cannot be solved within the country. This means completely abandoning any idea of autarky and accepting a policy of long-term structural integration of the Yugoslav economy into the world division of labor in place of merely short-term commercial operations. Instead of fear of competition, there will be a more self-confident policy of competitive interdependence which will pull the Yugoslav economy the hard but rewarding way toward progress.

To achieve this “hard but rewarding” progress required less “tutelage of government machinery,” and in a memorable twist of phrase, the regime intended to achieve global integration via “a process of what I [Bičanić] would call the four Ds: Decentralization, De-etatization, Depoliticization and Democratization. The process has been begun within the framework of a Communist ideology and a one-party system, but it would not be objective to deny that it has an effectively liberalizing and progressively humanizing character.” Sometime before the publication of the article for an international audience, his colleague, Rudolf Štajner explicated the need for “de-etatization of the economy” (“deetatizacija privrede”) to a decidedly local audience during a meeting of the political active in mid-May 1965.

The meaning of French-inspired neologism in Serbo-Croatian, but the strong connection between federal decontrol and productivity persisted in reformist thinking.

The ruling elites agreed that the long-term viability of self-management had to rest on productivity-driven growth, but significant differences of opinion existed on the role of planning (“white book” v “yellow book” debate). American economist, Deborah Milenkovich, proposed in 1971 a matrix, neglected in recent scholarship that placed political decentralization on one side and economic devolution on the other. The matrix suggested how de-etatization and “clean accounts” constituted a quadrant where liberals agreed, though for different reasons, and from which agreement on other policy areas stemmed, including integrating the country further into the world system, economically and well as politically and culturally.

Macedonian economist Uroš Andreevski captured the defensive mood of proponents of more established visions of socialism briefly after Bičanić’s article in *Foreign Affairs*. “Oftentimes people feel reluctant to mention planning… as if the very institution of planning somehow falls in the sphere of étatism.” Andreevski, clearly placing the redistributive functions of the federation above its étatist impulse, a view that elites from Bosnia and “central” Serbia tended to share and those from Slovenia and Croatia tended not to share. Debates about development transfers to poorer regions discussed in the next chapter, showed as much. Less control meant more markets and more inequality in development levels. Elites failed to agree how to change this absent étatism, and failed to devise a market-based formula for compensating
losers. A year later, his colleague asserted as much. Market principles, said Uroš Stojiljković, “not only do not decrease differences in development levels, market principles in fact exasperate the differences.” Therefore, it clear to anyone that some sort of social intervention is required. But it should not be assumed that that intervention must take an étatist form.”

Indeed, colleagues from Slovenia clearly articulated that de-etatization meant starving the beast of federal usurpation, not a stateless society. Miko Tripalo said as much in a 1970 colloquium at Zagreb’s Law Faculty -- “is it incorrect to equate statehood with étatism.” As strategic cadre Andrej Marinc pointed out, “if we deny the state apparatus its capacity that had permitted a policy of alienating a part of earnings and its distribution primarily on the bases of political and bureaucratic decision-making, we should not equate this with the function of the state as such, a function that evolves with ever more democratic self-management.”

To achieve intensive growth required first checking federal transfers. Federal power and market forces appeared all but mutually exclusive. In the eyes of hard-liners like Slovenia’s Franc Popit and moderates like economist Branko Horvat, doing away with etatism at the federal level had not gotten rid of republic-based etatism. Still, the approach reformers accepted relied on changing wage and investment policy, the themes of the next two sections.

“Uravnilovka” versus the Results of Labor: A Litmus Test for Liberals

In a command economy with rigorous limitations on private property, the public sector salary theoretically serves as the main, often as the only source of income for households. John Litwack outlines an important aspect setting salaries, namely bureaucratic attempts of equalize salaries.

The essence of this system is captured by a Russian word that has found its way into the vocabulary of all of the Eastern European countries: uravnilovka, which translates as ‘equalization’ or ‘levelization.’ Uravnilovka is qualitatively quite different from an explicit dynamic tax scheme, which would imply the presence of economic legality. Under uravnilovka, actual tax rates and norms are continually set and adjusted only after superiors in the hierarchy observe existing conditions. Inequalities are observed and subsequently leveled off.

Leveling practices were anathema to Yugoslav liberals. Indeed, attempts to “compress wages,” something done in the West during World War II, lost favor to attempts that made the wage equal to the marginal product of labor, something possible in the neo-classical schema of a perfectly competitive market.

Critics like economist Branko Horvat pointed out the “fallacy of this laissez-faire reasoning,” an unusually strong formulation given that colleagues like Berislav Šefer and Miladin Korać strongly supported remunerating “according to the results of work,” official-speak for productivity, and that the 1961 reforms replaced centralized wage setting (“tarifni pravilnik”) with worker-council set wages. “[M]arket imperfection provides no criteria for the social recognition of a person’s work; the redistributive effects of market imperfections can be eliminated also by means other than the étatist ones.”

While uravnilovka never constituted a clear aberration of the party line, various pronouncements by the liberals stressed that increases in productivity led to higher wages and, predictably, just as the reforms passed, warnings about the persistence of uravnilovka appeared across the country. Calls for its abrogation preceded the reforms, and had ideological ties. For instance, Croatia’s Drago Božić noted in 1964, “When wage ranges are recommended, they must represent socialist morality. Has this been taken into account in “Elektroda” [enterprise], where
incomes rose in 1963 on average 10% but the lowest one rose only 4% while the highest ones rose 45%? 275 After the reforms, appeals to socialist morality decreased and, to keep with the same republic, Croatia’s Socialist Alliance warned about unjustified salary increases as early as September 1965 – and that these would ultimately put downward pressure on aggregate demand. Slovenia’s official party program from November 1965 asserted, “In the consciousness of people, the belief is strengthening that work and its results as the basic criterion for the position of man in society.” 276 Similar pronouncements abounded in both Croatia and Serbia, as well as from federal institutions.

As liberals took over the apparatus, competitive practices had to replace leveling ones, as underlined by the unambiguous statement by the Secretary of Executive Committee of Croatia’s Central Committee, Pero Pirker, in the party’s official periodical in 1969:

The League of Communists must resist strongly calls for an uravnilovka. It is an important element of the existing state of affairs, in prevents faster growth and the benefits of fluctuations in the supply of labor, especially of qualified cadres, continues the tendency of low salaries and contributes to a sense of aimlessness in the working collective. The uravnilovka as a phenomenon is essentially characteristic of backwards regions. As a region begins to develop faster, so the uravnilovka begins to disappear. From the position “Give me because I deserve what the others earn”, the position transforms to “How much can I earn?” 277

In “resisting strongly” calls for leveling or compression of wages, the party thrust productivity as a key determinant of wages. Slovenia’s Stane Kavčič made similarly unequivocal statements, going so far as to assert, “the less developed the society, the stronger the demands for equality among people,” referring specifically to “equality of material conditions” (“enakost v materialnem položaju”). 278 If results of labor, a catch phrase for productivity, determined wages, then the question becomes how willing were workers to accept the distributive outcomes of such a policy? Frequent strikes pointed to the selective support from workers for the results of labor policy, something contemporary research established. 279

On a deeper level, reformers saw differences in productivity of labor as contributing to the integration of the country on an economic basis familiar from David Ricardo’s notion of comparative advantage. Marko Nikezić saw this as a justification for decentralizing Serbia, a point discussed further, but the unpublished 1966 notes of Mika Tripalo, the “ideas man” among Croatia’s reformers, revealed the reasoning.

We must struggle against the remnants of privilege that contradict the principle of distribution according to results of labor. The more we succeed in the struggle, the less we need to fear differences and disparate interests. When these differences are solely, or almost solely the result of differences in productivity, the free expression of differences not does not hinder an ever stronger unity, but is a requirement of a natural integration between differing interests into a broader, common interest. This holds for relations among individuals as much as relations between nations. 280

Given differences in comparative advantage among economic actors, gains from trade accrue even if vast differences in productivity exist among those actors, a point and by Marko Nikezić during a November 1970 meeting with Bosnia and Herzegovina’s party active (and rather caustically made by Paul Krugman). 281 The statement also nicely introduces perhaps the most salient keyword, clean accounts, discussed further below.
Clean accounts will not permanently ameliorate disparities in economic development. These disparities are a law-like consequence of economic development. The Fund for Development [FADURK] will not alone ameliorate disparities. But, if we introduce clean accounts, those disparities that were the result of [political] intervention will be eliminated, and those that are a result of market forces will remain.

The extent of popular support for wage liberalization, let alone of the principle of comparative advantage the underpinned such liberalization, remains an open question -- and no systematic answer appears below -- but the frequent appeals by elites to ending wage-equalization suggests the significance of the idea.

Clean Accounts as Moving Toward a Transparent Rental Rate of Capital

Miko Tripalo raised the issue of clean accounts in May 1968. He had done so during a consultative meeting with municipal party leaders. Clear accounts were “our demand for equitable and transparent economic relations that is our demand for stopping the exploitation of Croatia’s economic capacities.” Liberal politicians from all republics adopted the term. Political elites from Slovenia used the language of clean account but it seems not the term itself during the so-called “cesna afera” (“highway affair”) in the summer of 1969. As with the currency regime debate during 1970-1971, the very public debate in the summer of 1969 centered on the federal bureaucracy’s unjust apportionment of scarce financial resources due to inappropriate lobbying (nontransparent and unaccountable) from republics.

Marko Nikezić, the key reformer in Serbia and President of its Central Committee since 1968, supported the need for clean accounts, most notably by remaining on the sidelines, an instance of politicking or crypto-politics discussed in more detail in the chapter on the purges (Chapter 6). In a July 1970 meeting between the Federal Executive Committee (Federal Government) and the Executive Committees of the republics and provinces, according to Stane Kavčič, everyone agreed that the principle of “clean accounts” should inform the transfer of funds from social insurance programs, including health and unemployment insurance, from the federal level to the republics and provinces.

By the end of 1970, “clean accounts” entered the public sphere. On 23 October 1970, the largest Belgrade daily, Politika, carried a story that summarized the position Serbia’s Party and its Executive Council on this regard. Entitled “Clean accounts – better relations among Republics,” political elites urged that enterprises required more funds for investment and thus government ought to decrease their tax burden, while the republics and provinces needed to take over more of the economic policy heretofore dictated by the federal government.

What elites supported clearer accounts – after all, like increasing efficiency, few politicians oppose transparency – those we might describe in the West nowadays as policy entrepreneurs pushed beyond the established ceilings. The publication of a tract by Croatia’s prestigious and romanticism-era cultural institution Matica hrvatska (Croatia’s Beehive), For Clean Accounts (Za čiste račune), at the end of 1970, unambiguously took the concept outside the closed space of political elites. Penned by the economist Hrvoje Šošić, a mid-level financial accounting staffer in a number of large enterprises in Croatia, the tract systematically outlined the techniques political elites used to engage in questionable economic activity, activities that Yugoslavia’s National Bank implicitly condoned. By next year, the term had gone from public to a mass audience. A student leader expressed the sentiment to an international audience in September 1971, “Croatia is exploited, but it is not true that the peoples of other Yugoslav
republics exploit it. It is rather the federal bureaucracy, reexporters, and banks which exploit it."

The idea of clean accounts testified more to the desire for accountability within a system marked by voluntarism at the top – the currency regime changed only once Tito reiterated his demands for its change in Karadjordjevo – than a substantive threat to the elite’s monopoly on local political power. If the wedge status yielded access to Western resources, clean accounts represented an attempt to dislodge the federal bureaucracy from its role as an intermediary between the West and the entities. As such, clean accounts had roots in the Partisan bargain, and showed the difficulty of applying the formulation to the economic sphere, an approach al Ronald Coase where perfect information, clear property rights and low costs of bargaining obviate the need for government intervention.

**Conclusion: A Minimal Federation from Maximum Mistrust**

Like the debates over apportioning international loans, apart from showing the obvious need of the economy to secure capital, the debates among elites about the economy during the 1965, demonstrate the tension between political decentralization and economic coordination. Specifically, the transition from central planning had not obviated the need for coordination among republics – to the contrary, without a central planner the issue of coordination becomes more, not less pronounced, especially when the West wanted workers and wanted to make loans and to open trade. The lack of coordination – exemplified by the wide scale of duplication of productive capacities (each republic develops its own airline, for example) – suggested the level of mistrust that existed among elites. While the students’ protests and violence in 1968 and then the purges in 1971 understandably overshadow the 1970 stabilization plan for the economy, the plan revealed the inability of the reforms to reach consensus about compensating the losers, including Croatia. In early 1971, surmised Miroslav Pećujlić, a high-ranking official from Central Committee of Serbia and noted political scientist: “Miroslav Čanadanović said it best, we cannon devise from the [current] state of maximum mistrust among the members of the leadership the minimum required for a functioning federation. A certain mentality has emerged, a complete identification with one’s nation.”

Whatever the capacity of the federation and the completeness of identification with one’s nation among reformers and hard-liners, grievances revealed the specific variants of liberalism that emerged in republics. In the early part of the 1960s, their airing took place mostly behind closed doors and in reform laws pushed through by Partisan-era elites like Boris Kraigher. In the late 1960s, gripes were expressed publicly and in constitutional amendments pushed through by a younger generation of reformers. Grievances reflected “initial conditions” in republics – relatively developed Slovenian needed capital, as had Croatia, while Serbia needed a workable institutional structure – more than significant departures from socialist mainstream thinking that reigned within the political culture, within the milieu of each republic. Economic grievances that offered clean accounts between and within entities as a solution, then, offered one window into republic-level liberalism that previous studies had not explored side by side. This is what the succeeding chapters aim to accomplish, first by examining closely debates about regional development during the high tide of liberalism (1968-1971) and then by an analysis of economic emigration that encompasses a somewhat longer period.
Chapter 4: Social Spending, the Moral Economy of Regional Development and Liberal Reformers

One under examined peculiarity of self-management is that by the 1971 purges, federal entities (republics and provinces) largely financed pension, health, housing, education and other social services while federal schemes funded so-called regional economic development and veterans’ benefits. If emigration opened a window into the larger issue of “who were the Yugoslavs,” then public spending revealed a kind of race between two competing commitments of the Titoist regime, the regime’s sui generis commitment to decentralization and its commitment to a defining tenant socialist ideology, an equitable distribution of the means of production.

The race signaled a cascade of events that distinguished Yugoslavia from the “treadmill of reforms” characteristic of the other socialist federations. Failed economic decentralization led to recentralization in both the Soviet case (Nikita Khrushchev’s regional economic councils, “sovarkhozy,” 1957-1964) and the Czechoslovak case (1958 to 1961 “small reform,” and 1964 to 1971 “big reform”). By contrast, in Titoist Yugoslavia, decentralization culminated in further decentralization. Each cycle of reforms, from 1950s self-management, to 1960s liberal reforms, and 1970s “associationalism,” aggravated preexisting regional economic disparities. A less studied negative consequence of decentralization was that each cycle made easier the renegotiation of a bargain among Partisan elites, whereby historically poorer regions that contributed disproportionately to the Partisan effort (Bosnia and Montenegro), like the Partisan veterans themselves, received special treatment from their federal regime. This chapter recounts three parts of the race based using heretofore unexamined records of Yugoslavia’s Central Committee.

Marxist ideology, discussed at the end of the chapter, structured decisions, yet regional development works as an insightful case study of how 1960s liberals pushed for a transparent rental rate of capital as a better way to achieve convergence than top-down redistribution. Because the 1971 amendments, socialist solidarity took a second place to decentralization, in fact the two issues appeared as separate. By the purges, poorer republics benefitted from assistance from the wealthier, and solidarity seemed removed for natural disasters far more than for development. In fact, the haggling over how much each republic owed Montenegro after a devastating 1979 earthquake recalled the roads’ affair “haggling over dollars” in 1969.

Methodologically, while previous chapters used sources from various connections, this chapter relies on sources from a single specialized committee within Yugoslavia’s Central Committee. The tight focus permits a broad claim: as solidarity transformed into mere assistance and decentralization trumped convergence of productive capacities across regions, liberals indirectly tinkered with the Partisan bargain in a way hereto for little mentioned. As none other than Rudolf Bićanić noted, the capital wealthier contributed represented an acknowledgement that they benefitted from the Partisan struggle. Whatever the savings from decreasing transfers to the “south” of the common state, it came at a cost of polarizing the food-ration into the rich and the poor after the purges removed cadres capable of constructive conflict. Less than a decade after the purges, non-cooperation emerged, as a pay-in crisis in 1980 show.
Speaking Liberal: Equitable Regional Development “Under a certain type of question mark” and Socialist Solidarity as “compensation”

Recent research on socialist Yugoslavia pays too little attention to the competing legitimating commitments of the Titoist regime, and thus to the relationship between what elites saw as the devolution of federal powers and the pursuit of equitable economic development. While much scholarship described production in socialist Yugoslavia, the connection between production and needs, including consumption, remains somewhat of a black box. The contribution to historiography here stems from a focus on how productivist justice informed social spending. Even the comparatively extensive existing research on one type of transfers, regional development, does not use archival materials.

In fact, few major treatments of the Soviet history dedicate space to social policy. In The Soviet Tragedy, Martin Malia mentions welfare provisions in only several paragraphs, which is curious since for him “socialism originated in a moral idea – equality – and culminated in the a particular program – the end of private property and the market.” Alec Nove’s The Soviet Economic System summarily observed that social services “do not as such raise problems worth long discussion,” although he acknowledged that they justified a separate monograph. Gaston Rimlinger’s 1971 comparative study, Welfare Policy and Industrialization in Europe, America, and Russia, remains significant, almost by default. Before the end of the Cold War, only a few rather technical comparisons between Easter and Western European public assistance regimes appeared. Walter Connor wrote perhaps the most detailed comparative study, and concluded the “the measures of actual progress toward equality is too modest to give egalitarians any basis for accepting, however grudgingly, the lack of freedom under socialist regimes as a tolerable trade-off.” However well researched, Connor’s book hardly affected major intellectual contributions to understanding socialism.

In terms of Yugoslav historiography, some aspects of policy inspired significant studies. Although pensions, health and housing remain little understood, archival sources reveal that political elites very much saw the connection between federal-level redistributive policies and regional economic development interests, a connection well recognized the cited and other studies, both as part of the regime’s overall legitimating strategy and as a complex implementation issue cutting across many jurisdictions and political turfs.

The Eighth Party Congress, held in 1958, for example, pronounced that “a necessary requirement for sustainable economic development of the whole country and a necessary requirement for the development of cohesion and unity of the peoples of Yugoslavia is: that political equality and equality before the law of Yugoslav peoples be complemented with economic equality.”

Yugoslavia was not unusual in either regional inequality or in attempts to alleviate it the post-war period – agricultural workers from neighboring southern Italy benefited from the European Social Fund since the signing of the Treaty of Rome in 1957. However, in Yugoslavia a dramatic transformation occurred during the 1960s from a familiar Soviet approach of centralized investment to one that resembled or moved toward an internal development bank.

The Fund for Accelerated Development of Underdeveloped Republics and the Province of Kosovo (FADURK), established by the 1963 Constitution (Article 123), began its first investment cycle in 1965. As reformers dismantled the main instrument of command-based investment, the General Investment Fund, FADURK became a major, and arguably the major policy instrument of economic development. Indeed, by some estimates during its operation
between 1966 and 1990, FADURK disbursed over $10.5 billion in aid to underdeveloped regions, or nearly half its total public and private foreign debt. \(^{299}\) Its operation never gained popular acceptance, let alone support, from the regions that provided the bulk of its funds, namely Slovenia, Croatia, Vojvodina and Serbia proper although the Fund had a progressive pay-in mechanism and, at least in part, a progressive payout scheme. \(^{300}\) A tax on public enterprises levied in all entities provided the primary source of revenue, and thus poorer entities also contributed to FADURK. Since the poverty gap was largest in Kosovo, policy-makers responded to Kosovo’s need for funding with continually increasing allotments. At the same time, however, Montenegro received comparatively slightly higher allotments (allegedly a result of lobbying), at the expense of Bosnia and, especially, Macedonia (Table 9 and, especially, Figure 6). \(^{301}\)

Perhaps as contested as the relative disbursements among recipients, the Fund’s creation at the time of liberalization suggested a kind of deal between competing interest groups. The richer entities got more market mechanisms, such as a liberalized foreign trade regime, and the poorer got compensated with low-interest and guaranteed loans. \(^{302}\) Given that poorer entities depended on extractive industries (timber in Bosnia, coal in Kosovo), a compelling argument existed for the need to compensate these entities for their deteriorating terms of trade: the prices of their exports fell due to increasing demand as other republics imported more and more raw materials for their industries. \(^{303}\)

Rudolf Bićanić has outlined a still more contested element of the Fund. In the official view, the Fund’s economic functions – facilitating the building of socialism via the redistribution of productive capacity – complemented its non-economic functions – building “national unity” via explicit recognition that “some of the underdeveloped parts of the country bore the brunt of the liberation struggle during the Second World War and their development efforts were therefore felt to deserve special attention.” \(^{304}\) The greater absence of congruence between political-economic and social-cultural communities in underdeveloped federal entities contributed to the sense that Slovenia, and thus Slovenes in particular, paid a tax to “the southerners” ("južnjaki"). \(^{305}\)

Wages in Yugoslavia reflected the marginal productivity of labor better than had wages in neighboring Bulgaria or Romania, but not in comparison to Italy or Austria. The large variation in wages explained why various participants in policy-making, including the Social Policy Committee discussed in second part of this chapter, dealt extensively with income inequality and regional development. \(^{306}\) Accordingly, with a Gini coefficient above 0.30, Yugoslavia exhibited income inequality by comparison to egalitarian societies, such as Czechoslovakia, with Gini coefficients of around 0.20. Although non-cash transfers complicate the story significantly, income seemed to have remained more concentrated in Yugoslavia than in other two socialist federations. \(^{307}\) Policy-makers followed these international comparisons, and acknowledged the limitations of such comparisons. \(^{308}\)

Between the 1950 and the late 1980s, the four developed regions, Slovenia, Croatia, Vojvodina and “central” Serbia, accounted for proportionately less population of the country, from about 70% to about 60%, but contributed proportionately somewhat more to national income (from about 65% to 70%). Conversely, the population of the four poorer entities, Bosnia and Herzegovina, Montenegro, Macedonia and Kosovo, increased as their contribution to national wealth decreased (Table 9). In Kosovo, this trend was acute: compared to other federal entities, Kosovo’s population increased by two-thirds between 1953 and 1988, but its contribution to national production decreased by one-third during this twenty-five year period. In
early 1970s, while most peers focused on the Yugoslavia’s relative prosperity, its World Bank-approved “development with decentralization,” one scholar warned, “On the satisfactory elimination of these interregional differences and economic inequalities perhaps depends the survival of Yugoslavia as a state.”

A steady fall in the productivity of the underdeveloped regions, and thus of their internal catch-up to more developed regions, made the establishment of a special funding structure especially significant. Table 10 shows the proportion received by each recipient and Figure 5 shows that the distribution of monies seemed progressive in the sense that Kosovo received an increasing share at it precipitously fell below the Yugoslav average while the other three recipients received slightly decreasing shares since they roughly maintained their position with respect to the Yugoslav average. As a result of the 1960s liberal reforms, how much workers earned had something to do with regional development, but not the other way around. Regional economic development little influenced the federal regime’s sui generis commitment to decentralization.

Yugoslavia resembled other socialist countries (no unemployment insurance) and it resembled capitalist ones (loan-based regional development). The more qualitative archival evidence in this section speaks to a distinct approach to legitimation in socialist Yugoslavia based on decentralization and what this meant for the federal regime’s ideological commitment to productivist justice. In combination with the policy of integrating Yugoslavia into the global system, decentralization comprised another building block of liberalism, the topic of the next chapter. For now, one major achievement of liberal political elites included substantially de-linking questions of political decentralization from those of top-down redistribution within policy debates. Listening in on the meetings of the Socioeconomic Policy Committee of Yugoslavia’s Central Committee between 1966 and 1972, the high-tide of reformism, how the terms of debate changed during the liberal era. Less talk of solidarity and more of another term, compensation (“kompenzacija”), to describe government transfers, exemplified how speaking liberal in itself justified de-linking decentralization from equalization of productive capacities.

Between the chairmanship of Sergei Kraigher though that of Vladimir Bakarić ending with that of Kiro Gligorov, the terminology utilized by elites (“keywords”) revealed the perspective of those who worked to compensate the losers of reform. Each of these senior officials chaired the specialized working group tasked by Yugoslavia’s Central Committee to assist with formulating social policy. Sergei Kraigher, a senior Slovene official and younger cousin of Boris Kraigher, one architect of the liberal reforms, headed the Committee for Socio-Economic Relations between 1966 and 1969. This Committee discussed reforms of large social insurance schemes, including health insurance. Kraigher’s Committee also addressed the problems of differential compensation across and within industries (how could a worker get paid less in Bosnia than in Slovenia while working in the same branch of industry, and how to tax private versus public employers), and ways to overcome “étatism,” a code word for centralizing forces within the federation.

Between 1969 and 1972, Kraigher’s Committee morphed into the Social Policy Committee, and a member of Tito’s innermost circle, Vladimir Bakarić, took over as chair. The Committee worked mostly on economic issues, and formulated one of the key amendments to the 1963 Constitution, altering the complex pay-scale system in public enterprises and solidifying the principle of payment according to productivity of labor-- the socialist version of “equal pay for equal work” -- as opposed to solidarity among workers. These meetings, held as a joint session with the main representatives of labor, the Alliance of Unions of Yugoslavia, and
with Yugoslavia’s Central Committee (November 1969), suggested limited but nonetheless discernable interest group bargaining.  

Bakarić’s Committee also prepared the analysis for the Central Committee of the first Social Development Plan, the Yugoslav version of the Five-Year Plan, which encompassed an initial batch of projects supported by the Fund for the Development of Less Developed Regions (FADURK). The Fund began operating in 1965 and made loans to four federal entities designated as underdeveloped, namely three republics, Bosnia and Herzegovina, Montenegro, and Macedonia, and one province, Kosovo. Monies for the Fund came from a special tax on fixed assets (the veritable means of production). The debates within Bakarić’s Committee about the results of the first batch of development projects (1966-1970) that the Fund directed evidenced the divisive political consequences of the federal regime’s prioritization of decentralization over what had been productivity-equalizing redistributive policies during the 1940s and 1950s. In 1971, the Committee held discussions on what it called “social differentiation,” or income inequality. Representatives from richer republics saw the problem of raising inequality as one of inefficient local economies, while representatives from poorer regions saw inequality, or differentiation, as a major failure of the socialist system. Neither side appealed to experiences from other socialist states, while both used the emerging Scandinavian welfare states as examples worth emulating, suggestive evidence of the effect of openness of the economy and limits of productivist justice as an catch-all explanation.

Sergei Kraigher’s Committee: Solidarity Reexamined (1966-1969)

The Chairman of the Socio-Economic Policy Committee, Sergei Kraigher, had considerable latitude to set the Committee’s agenda. An “operating nucleus” (“radno jezgro”) determined the discussion agenda and in its selection Kraigher followed established practice. “Maybe it’s best for at least one representative from each republic [to participate],” he said, “not because of the republic and national composition but because of the problems that appear in different aspects in certain regions.” The approach exemplified what a scholar in the 1980s described as authoritarian consociationalism. Minority and competing interests received at least a hearing, if not a transparent and accountable mechanism to challenge, let alone reverse decisions.

Apart from certain openness to the West and decentralization of service provision, productivist justice informed the party’s, and thus the state’s approach to compensation policy. Income varied widely across the country, and thus so had the ability of localities to create sustainable insurance pools. Insurance pools directly raised the question of solidarity: who should foot the bills of those localities that failed to provide sufficient funds for their dispensaries, let alone specialist care? Official policy resolved these questions by relying on a type of socialist solidarity that emanated from productivist justice. “Workers’ pay-in proportionally to their earnings and make use of their rights to insurance according to need and do so under the same circumstances.” At the same time, to underline a point already made, direct transfers leading to equality of some measure of wellbeing were not an alternatives under consideration: differences in levels of welfare cannot be overcome “simply by legislating ‘equal rights,’ and it would very counterproductive to cloud up the essence of the problem by doing this.” Marx’s *Gotha Program* clearly outlined why “‘equal rights’” remain meaningless so long as vast productivity differentials persisted.

Thus, Kraigher’s committee provided to Yugoslavia’s Central Committee an accurate definition of the problem – visible if ideologically justified income inequality – and a tellingly
intuitive solution from a liberal point of view (and a counter-intuitive one from an administrative socialist point of view):

Achieving economic and social security of the people within conditions in which the division of goods is done according to work and the results of work [i.e., productivity of labor] and the implementation of the principles of solidarity and mutual assistance has opened up a number of problems in the social insurance systems, which are of a systemic character, and in the operation of [political] institutions of self-management. With social and economic reforms, these problems have been exacerbated.\(^{324}\)

The trade-off between distribution according to labor productivity, or “results of labor,” and solidarity among workers had a concrete solution for liberals, de-étatization. Administrative-étatist elements remained too strong and literally prevented workers’ and their self-managed organizations from working freely, which in turn denied workers the ability to take responsibility for, and enjoy the gains from, the results of their labor.\(^{325}\)

The same principles of labor productivity-dependent benefits that applied to inter-generational transfers such as maternity benefits also applied to intra-generational ones, such as pensions. The amount paid in determined the pension amount, and, to foreshadow, a similar logic applied to transfers between regions. Whether on the level of individuals, firms or entire regions, inequality between them resulted from the production process.

Before the 1968 student unrest, then, when students demanded more top-down, plan-based equalization of productivity levels, internal discussions gave evidence of liberal sentiments, certainly by leading economics who participated in them. Substantive discussions revealed rather tepid support for leveling measures. For instance, Branko Horvat urged efficiency-increasing measures above increased investment in less developed regions (2 October 1968 meeting), while Berislav Šefer (20 November 1968 meeting), another internationally recognized economist, openly called for lowering taxes as way to increase productivity and competitiveness of firms even though this meant fewer funds in government coffers.\(^{326}\)

De-étatization served as the principle mechanism to improve the functioning of the federation: “Under present conditions, the role of executive and administrative organs in socio-economic communities, especially on the level of the federation,” the report proclaimed, “is excessive. This is especially evident in the economic sector, and in the creation of current economic policies.” A gradual lessening of regional inequality in the long term led to “real equality” between the different communities within Yugoslavia, the implication being that real equality emerged from equalizing the productivity of labor. Until such a time, the Fund for Underdeveloped Regions (FADURK) served as a “certain kind of compensation and an element of solidarity in inter-ethnic relations in Yugoslavia.”\(^{327}\)

To translate, the Fund, like the General Investment Fund it replaced, represented in part top-down redistribution that attempted to equalize productivity levels between different political-economic communities. The possibility that the Fund for Underdeveloped Regions transform into a crediting bank focused on poverty reducing projects appeared in a painstakingly neutral special note in which the Committee expressed no position on the introduction of profitability in regional development projects. The Fund as an incipient version of an “internal” World Bank still required working through, if for no other reason than because the sustained and broad objections to the operation of the just dismantled General Investment Fund. Still, the Committee urged “increased objectivity” in dividing the regional development monies, and asserted that “the economic system of self-management can lead to desired development goals if in the economic
instruments of self-management within every nation, that is republic, have an economic interest in the development of every other republic.”

Thus, the Committee charged with social policy sent a signal to peers about the compatibility between decentralization and the provision public goods in general and regional development in particular. Of course development remained a problem requiring the regime’s best efforts, yet the justifications for equalization among regions included purported mutual economic interests of both the developed and developing republics – a tenant of classic liberalism of David Ricardo (1819) -- and not just the maintenance of good socialist relations between them.

Cumulatively, support for unequal pay, tax cuts and more private property contributed to well-recognized economic divergence among regions and hinted at what now seems like a ratcheting effect. The wealthier republics insisted on more decentralization as the price of their “participation” in the federal funds that made good the shortfalls of the insurance pools of the poorer republics. As we saw above (Chapter 1) elites from Croatia protested that they had made such payments throughout the post-war period but had not received favorable World Bank loans. The more the poor fell behind economically, the more funds the poor required to catch up and the more decentralization the wealthier demanded. Precisely this happened with FADURK (Fund for the Crediting of the Development of Less Developed Regions).

Vladimir Bakarić’s Committee (1969-1972): Solidarity as “Assistance”

In 1970, the Fund for the Accelerated Development (FADURK) began its second five-year phase. Well over a third of the Committee’s meeting of month dealt with renegotiating the terms under which disbursements might take place, a mawkish reminder of the working of a party-state. The reform context influenced the content of the debates, and the bluntness of some debates left little doubt about the existence of serious disagreements among Committee members. If one traces the discussion, from preparatory materials discussed in the second half of 1969 to an electrifying debate in the spring of 1970, one clearly sees the trade-offs between decentralization and equitable development of productive capacities. While policy-makers openly, even presciently, outlined problems, no one urged a solution based on reconsidering the extent of decentralization.

The basic pattern of reasoning in debates on renewing FADURK mirrored the pattern of de-coupling of contentious issues seen in other contexts. First, members acknowledged the problem that de-etatization and self-management increased inequality. Second, members accepted that regional inequality and social insurance provision constituted issues separate from the issue of the number and jurisdiction of governments (decentralization); separating policy issues constituted a choice since development and decentralization could also have been bundled together, not unlike the question of whether Microsoft Windows could be bundled with Internet Explorer. These two combined to produce the third element, namely an official position that relied on one principle with respect to inequality and another with respect to redistribution and thus condoned the existence of “contradictions” in policy, a testimony to a socialist regime’s humbling flaws.

Committee members discussed regional development based on a detailed brief written for the members by a researcher from the Zagreb’s Economics Institute, Dr. Milan Mesarić. Two principles articulated by Mesarić served as starting points for the debate and provoked an exchange among reforms in favor of clean accounts and hard-liners. Mesarić proposed that
stricter conditions on the monies used would prevent the funds from being perceived as a “hand-out.” While consensus existed that regional inequality represented a negative phenomenon, a consensus did not exist on how to define underdevelopment or on who had final say on appropriations. In either case, the Federation could not make this decision unilaterally since “doing so is unacceptable to municipalities within a republic and this is even truer for the federation vis-a-vis the republics.” Such a blanket assertion, made by a mere consulting expert, goes a long way in showing the limits of federal institutions to shape social policy.

Hasan Hadžiomerović, a high-ranking cadre from Bosnia and economics professor in Sarajevo, who articulated a liberal position. Though illustrative of politicking, Hadžiomerović posed the question of the short- and medium-term feasibility of “removing developmental difference between regions,” and concluded that convergence appeared so distant that for all intents and purposes the commitment to eliminating disparities in development should be, “put under a question mark,” in other words, abandoned. A hardline representative from Serbia “proper,” [Anon] Mišković, wondered how much of a question mark? For one thing, if representatives from the business community had a place in determining how FADRUK operated, Mišković asked, was the fund in question “the Fund of the federation” or the “the Fund of the businesses”?

The representative from Bosnia strained for reconciliation and first noted that greater economic divergence existed between regions in Yugoslavia than between Yugoslavia and the most developed countries in the world. The resources from the Fund thus functioned both “as a form of solidarity between countries and nations and at the same time as a form of compensation.” The regime’s commitment to increasing the number of governments and their jurisdictions stood somewhat awkwardly along the commitment to compensate proletarians for the skewed distribution of the results of labor. If Kosovo or Macedonia had come to resemble quasi-independent “countries,” then why ought Slovenia or Croatia transfer capital to them, or anyone, on anything except a market rate for lending capital?

A representative from Montenegro, as if in a Chaplinesque dramatic adaptation of crypto-politics, brought the debate back down to earth. The issues surrounding the nature of FADURK, its scope and mission appeared settled to the representative from Montenegro, the only less developed region that arguably eked closer to the Yugoslav average. As far as he had been concerned, the Party’s policies included regional development, and only questions about the implementation of policies merited attention; the rest should not be a source of “conflict and dilemmas.” So long as Tito supported regional development, the matter had been settled, whatever the disagreements among local elites.

The following meeting, chaired by Kiro Gligorov, the young liberal leader from Macedonia with a keen understanding for economics and one of the few reformers to survive the purges, captured vividly the clash of conceptions and, like the first Karadjordjevo meeting (Chapter 1), stood out for its openness. Perhaps its brevity, the stenographic notes included only 110 pages, and the opaqueness of the opening remarks, accentuated the confrontation between unidentified representatives from Slovenia and from Bosnia and Herzegovina. As some of his previously cited statements made eminently clear, Hasan Hadžiomerović expressed himself in typical apparatchik fashion: the object and the subject of the sentence stood as far from each other as dependent clauses and faux clarifications, conditionals and disclaimers allowed.

We have noticed that, in practice, there exists a certain type of a kind of controversy. Specifically, we have in mind the assessment of the effects of the development of less
developed regions achieved thus far …. In documents [detailing the official policy], the goal of economic policy was always that the acceleration of the development should lead to the decrease of relative differences between regions.  

More important than the endorsement of the Fund as the main policy instrument, he cautioned that the social dialogue should not be so “dramatic.” The dialogue should instead come to an end in an amicable manner, based on “economic and socio-political arguments,” and not, as he left unstated but seemed to imply, based on nationalist argumentation or stereotyping.  

Before opening the floor to discussion, the meeting’s chair, Kiro Gligorov, interjected something like an apophasis that discussions in the Federal Parliament revealed disagreements. While broad agreement existed that the Fund had a “mildly distributive role,” any changes in its operation that included strategically investing more in those regions likeliest to cease qualifying for assistance would be “difficult to accept.” While investing the marginal dinar in republics closest to the Yugoslav average, namely Montenegro and Bosnia, would lead to a tangible success of the Fund, other recipients would surely object. Why should Kosovo and Macedonia, the two recipients furthest from the Yugoslav average in effect “pay” for the faster development of the other two recipients that remained closer to the Yugoslav average, Montenegro and Bosnia? They would not, and had enough “voice” to block this type of regressive distribution – a crucial point that again underlined the significance not so much of the socialist context as the federalist context. For another, the “redistributive character” of the Fund came in for criticism, with the proposal that the Fund ought to evolve into a lending agency that functioning via market mechanisms. Gligorov elaborated for party elites a proposal floated by parliamentarians to create a Yugoslav pseudo-World Bank or, perhaps more accurate, pseudo-European Bank for Reconstruction and Development. While such an option received a hyper-guarded mention during the Chairmanship of Sergei Kraigher in 1968, now that liberals gained greater control over leadership positions, members of the Federal Parliament openly discussed the design of such an institution. In order to attract capital from successful enterprises and banks, the Fund needed to have a lending component. However, lending directly raised the issue of sovereignty. Some quarters, Gligorov, had not specified which ones “underestimate the ability of republics that is the economic sector within those republics, to deal with those [solvency] issues.” In other words, real lending included provisions and protections for the lender in case of borrower default, risks that in Gligorov’s liberal view, proper incentives ameliorated.  

Transition proceeded to build her argument around the framework of regional development as a form of “assistance.” Her four closely argued points encapsulated the liberal thrust to end palavers. To begin with, the “demographic explosion” in less developed regions effectively raised the amount of transfers required to bring the underdeveloped regions to the Yugoslav average. The Malthusian wording --explosion not expansion-- echoed alarmism of Paul Ehrlich’s 1968 Population Bomb. Fertility differentials between Yugoslavia’s northern and its southern regions in her statements belied ideologically acceptable Malthusian reasoning, though its expression among party officials lacked the briskness of Šime Djodan (Chapter One).  

A related point revealed the importance of the price mechanism, a veritably reformist concern. The use of per capita income of republics and provinces as a primary criterion for determining eligibility for the Fund inadequately reflected living standards because “prices poorly indicate costs.”
Next, the Slovene representative observed that achieving any development goal imposed significant hardships even on developed regions. “International competition militates towards a shorter life-span of and the introduction of new technologies in very short time-spans.” In order to succeed in the international market, then, Yugoslavia required investment in new technology. A tax on enterprises meant fewer funds for investment. “The seeping of 1.85% [of enterprises’ product] imposes a huge effort on us but the effect of this, once it is spread over [all the underdeveloped regions] is very small.” As the underdeveloped population increases, the amount transferred decreases in real, per capita terms. The invocation of competitiveness in the international market, already used to officially justify economic emigration to the West (the subject of the next chapter), firmly placed the speaker in the liberal camp.

Almost as a concession, the representative from Slovenia then moved to her sole point of agreement with Hasan Hadžiomerović. Namely, she concurred with his assessment that any loans made to the Fund from other economic agents ought to be at concessionary interest rates – doing this is “the purpose of the Fund.” Not much in the way of a concession, but one that accepted the existence of the Fund. The position offered a path to compromise: if the Fund started making productive loans, lending money to the Fund at below-market rates made sense. Solidarity gained a fairly precise value. In theory, it fell between the interest rate associated with a fully productive loan and the rate of highly subsidized loan; in practice, part of the loans had been forgiven outright, reinforcing the perception that solidarity implied a giveaway more than reciprocity. Still, the transfer took the shape of a loan, not a grant.

The presentation ended with an affirmation of the principles of production and of local sovereignty. The representative from Slovenia noted that “somehow going around the republic, I think this would not be possible.” Since the republics had the right to direct the funds they control – otherwise the federal regime reasserted control over public spending, an unacceptable alternative for liberals – the representative invoked the familiar concern among lenders the world over. So long as the federal regime functioned as a lender of last resort, the net-beneficiaries of FADURK had not faced, as she presciently framed the issue, the “dilemma” between current and future consumption. If the poor republics actually faced this dilemma, “I believe that different decisions would be made between spending on consumption and on investment than is the case today.” The resolution of this dilemma on the federal level, between allocating resources for current consumption versus investments that will increase consumption in the future, seemed unlikely as “today, it seems, it’s too late for doing something like this.”

Yet the acceptance of productivist justice and the belief that the Fund ought to exist to boost production, not consumption, betray the reform socialist milieu. As the next chapter describes, such sentiments contrasted somewhat with policy in the West. For instance, Richard Nixon introduced a Price Commission and a Pay Board in August 1971, after “closing the gold window.” The success of de-etatization in Yugoslavia, however, made less likely the coordinated negotiations such as those regularly taking place in neighboring Austria (and in Germany) about wage levels, negotiations that delivered the higher investment in innovation and “wage moderation” that the representative from Slovenia sought and that self-management routinely failed to provide.

As in a script, the cogent statement from one side occasioned a response from the opposing side. In this instance, the next speaker, identified as representing Bosnia, underlined just how liberal his colleague’s statements were with desultory remarks. He invoked the League of Communists and referenced the relevant resolution passed by the Ninth Party Congress (March 1969) that spelled out the party’s long-term comparatively modest goal decreasing the
relative differences in development. While the Slovene representative felt no need to mention the League of Communists, let alone invoke its resolution as the basis for policy, he proposed something like a social contract for development, and in so doing showed the mechanism in play once the poorer federal entities explicitly appealed to the richer entities for funding, instead of making the appeal to the federation as such.

We believe that faster development of underdeveloped republics and province should be achieved by primarily relying on the efforts of those underdeveloped regions…. If this is the case, and if we accept this general line [i.e., party line] of the League of Communists about creating enabling conditions for the gradual decrease in the differences [between regions], then I think that with the Fund and other economic measures, the country should provide what we agree to.355

This line of reasoning embodied quite a difference conception of solidarity that one based on underwriting subsidized loans. For this unidentified representative from Bosnia, solidarity meant receiving the difference between the funds Bosnia invested in its own development and those required for lessening regional inequality.356

However sympathetic a listener might be – and the call from Bosnia’s representative echoes the calls from the economic periphery the world over – those assembled in a conference room on the 12th floor of the building of the League of Communists had to bridge the chasm between the position articulated by the representative from Slovenia and her counterpart from Bosnia. In a system where redistribution required consent from local and entity-level elites, a plea for a social contract like that sounded by Bosnia’s representative is a very difficult bargain.

De-etatization, Splicing and Factoring: Stopping Log-Rolling in Socialism

The ability of federal entities to bargain allowed crypto-politics between them during socialism to exhibit some features of competitive politics. Among the more important of these features for the story of liberal reforms were the two distinct ways to structure negotiations or bargaining among local elites. Of course nothing like voting in a liberal democratic sense took place, yet even during the socialist period analysts acknowledged the comparative assertiveness of local cadres that archival records amplify for instance the protests over road loans in Slovenia (1969).

Two bargaining practices ubiquitous in competitive politics, namely the so-called factoring and splicing of policy issues, also took place under self-management. The two practices suggest a recognizable mechanism for the de-linking of the regime’s sui generis commitment to decentralization (AVNOJ bargain) from its ideological commitment to the equalization of productive capacities across the federation (Marxian productionist justice). The archival records of the party’s Social Policy Committee illustrate how de-linking occurred beyond the immediate significance of identifying a mechanism used by libels to effectuate decentralization, their major goal, the analysis of a particular instance of de-linking of policy issues also exposes a structural feature of the Yugoslav system after the purge of the security czar Aleksandar Ranković (1966).

While Tito and a handful of other “veto-players” introduced a significant degree of volunteerism, nonetheless republics fought hard and increased their jurisdictions by the passage of 1971 amendments. In particular, the federal regime retained jurisdiction over pensions for veterans and regional development while republics gained jurisdiction over collecting most taxes so that they transferred money to federal coffers, not the other way around. “Broad jurisdiction splices independent issues together like the strands of a rope. In contrast, narrow jurisdiction
factors politics into independent issues like a mathematician dividing a large number into prime numbers.”  

Liberals redistributive policies and decentralization were gradually separated, so that the federal institutions and, to a lesser extent, party, “voted” on fewer issues in the aftermath of 1965 reforms. Entities with broader jurisdictions are responsible for, and thus must reach some agreement over, a larger number of issues, while those with narrower jurisdictions decide about comparatively fewer issues – the legislature sets education priorities, the school board confirms a new school principle:

Splicing widens the scope for bargaining by lowering the transaction costs of political trades. Politicians often bargain successfully by combining issues and “rolling logs”…. Splicing has the advantage of increasing the surplus realized by political cooperation. Splicing also has a disadvantage…. [It] increases the probability of cyclical voting…. Single-purpose government is like a safe stock with a modest yield, whereas multi-purpose government is like a risky stock that pays a lot or nothing.  

The first component involved overlooking, from a Marxist point of view, an unprincipled stance on a given policy. Committee members tepidly agreed that equitable development constituted a possibly unrealistic goal. One of the leading economists from Bosnia, Hasan Hadžiomerović, proposed revisiting of the goals articulated by Boris Kidrič in the late 1940s about equalizing productivity levels. In making the proposal, Hadžiomerović used the typically convoluted official-speak, characterized by innumerable conditionals and the third-person – the awkwardness of the wording underlined the torturous effort involved in making the point:

Perhaps it should be considered [by the League] that in the future more attention be paid to grounding proclaimed policy more thoroughly [in facts], to paying attention to objective factors and determinants, especially as [these determinants] relate to relative developmental differences, that is to decreasing those differences between the developed and developing regions. Simply, would this be possible? And if this is not possible, then it means that, in this aspect the proclaimed policy [i.e., a commitment to decreasing regional disparities] is, in a way, inadequately grounded [in what is reasonably feasible].

In parsed form, Hadžiomerović argued that if official policy and reality diverged, then the party ought to revise official policy.

An alternative existed to current policy set in the early post-war period and one that connected economic development to the regime’s legitimacy and, no less explicitly, to national unity. As Rudolf Bićanić noted and Branko Horvat reiterated, many poorer regions contributed disproportionately to the national liberation struggle.  

The second component that effectively pushed in the direction of making an implicit trade-off between decentralization and redistribution was to keep renegotiating the pay-in and pay-out mechanisms for the principal federal-level program for aiding developing regions, the Fund for the Aid of the Development of Underdeveloped Republics and Kosovo (FADURK). While decision-making about the allocations of the Fund stood well outside the purview of the Committee, their discussion revealed the divergent conceptions about the operation of the Fund during the preparation of its second Five Year program. A number of laws culled out “budgetary assistance,” and thus constrained the decision-making of the Fund’s board, comprised of representatives from all eight federal entities and appointees from the Federal Parliament.  

The third component involved the substantial transfer of power, if not of authority, from the federal to the republic-based level. As the debates in the Committee showed, a mere
consultant from the Economics Institute stated that the federation faced constraints vis-a-vis the republics. In a more concrete instance, in August of 1970, the Committee staff carefully prepared the positions of the respective republics about key social policy issues. Before that point such documents had not existed. However quotidian the content of preparatory materials, they dramatically confirmed the practice, officially permitted since the Eight Congress of the League of Communists (1964), of convening republic-based caucuses to agree on their republics’ positions before arriving to a consensual view during the Congress. 362 De-étatization weakened the federal center and local parties weakened the hold of the league of communists of Yugoslavian by 1970.

Monetizing Solidarity and Reaffirming Socialist Productionism after the 1971 Purges

Political scientist Steven Burg carefully outlined major policy debates between the early 1960s and early 1980s. He based his analysis on public documents and interviews. FADURK’s appropriations for the period from 1976 to 1980, as well for the subsequent five year plan (1981-1985), occasioned debates practically indistinguishable from those discussed above. Burg did not have the benefit of archival records, but he easily identified representatives from Slovenia as bitterly contesting the definition of underdevelopment devised by FADURK, namely any federal entity with aggregate income of no more than 75% of the national average was eligible. 363 The conflict over eligibility, of course, dated from the very beginning of the Fund. The 1973 Oil Shock, the 1980s foreign debt crisis, or any number of so-called exogenous shocks cannot alone explain the conflicts over eligibility. The domestic, even parochial origins the eligibility debate opened a window into the implicit bargain between net-contributors to the Partisan struggle and net-beneficiaries of Yugoslavia’s subsequent wedge status.

The debates at the same time over how Montenegro, a Partisan-struggle net-contributor, would be helped after a devastating 15 April 1979 earthquake provides a partial confirmation (counter-factual check) about the “moral economy” of FADURK. The earthquake struck the coast, close to the Albanian border, killing some 100 people while causing calamitous infrastructure and housing damage. As many as 100,000 people from a population of 580,000 required shelters. The Venetian Republic visibly influenced Montenegro’s coastal centers, such as Ulcinj, Bar, Budva and Herceg Novi, adjacent to Dubrovnik, and so, although comparatively poorer than Istrian and Dalmatian coastal conurbations, the razed coastline recognizably belonged to Fernand Braudel’s “Mediterranean world.” 364 The list of damaged cultural sites attested as much, including the Old Towns in Ulcinj and Budva and baroque-era churches, including Our Lady of the Rocks of the coast of Perast. 365

In one of his last public appearances, a frail Tito, who would die in May 1980, “appeal[ed] to workers, all the peoples of the federation and republics, without hesitation, fulfill their obligation to assist the Montenegrin people.” The Introduction mentioned the international response to the leveling of Macedonia’s capital, Skopje, by an earthquake on 23 July 1963. US and Soviet troops alike helped in rebuilding (perhaps the first instance after 1945), Pablo Picasso donated “Head of a Women,” and architect Kenzo Tange redesigned part of the city – differed as markedly as the internal response, optimized by a virtual black check that Boris Kraigher gave Macedonia’s elites. Burg followed the earthquake compensation debate after 1979, noting the Augean process of defining what financial obligations adequately expressed solidarity with Montenegro. Federal entities literally negotiated publicly the dinar value of solidarity, a system-
wide difficulty generally hidden from the public.\textsuperscript{366} How surprising, then, that acrimony suffused debates on the FADURK? While the federation ultimately levied a 1% tax on earnings, lasting for ten years, to cover reconstruction costs, the concreteness of that decision contrasted with the ambiguity about what solidarity meant in the context of FADURK. In 1982, moneys earmarked for the Fund in 1980 had not yet been disbursed. The pay-out crisis constituted a clear breach of federal law.\textsuperscript{367} Whatever the reasons for why federal entities could “afford” to violate federal laws not to their liking, two points merit attention. The unambiguous insistence of sovereignty of federal entities established with the 1971 amendments to the Constitution, permitted the wealthier entities to obstruct the transfer of monies to federal coffers, all be it on convincing grounds that the moneys failed to increase productivity, while poorer entities bitterly complained that conditionality abnegated their self-determination rights. This vicious cycle, revealed in the workings of a single Committee of the Leagues of Communists showed a mechanism by which economic divergence contributed, eventually, to political polarization. The regime’s commitment to decentralization constrained “logrolling,” the \textit{quid pro quo} practices in bargaining among federal entities and thus decreased the alternatives available to the federal government to address regional inequality and complicated – once FADURK became the main vehicle for equalizing productivity, the entities had relatively less space to make bargains compared with the era of the General Investment Fund which affected all entities.

The state of affairs during the 1980s, or the 1970s, contrasted dramatically with an earlier era, the late 1950s, when the Yugoslav experiment produced double-digit annual growth rates. To recall, the Seventh Congress of the League of Communists (1958) proclaimed that “a necessary requirement for sustainable economic development of the whole country and a necessary requirement for the development of brotherhood and unity of the peoples of Yugoslavia is: that political equality and equality before the law of Yugoslav peoples be complemented with economic equality.”\textsuperscript{368} How a “necessary requirement” became a much resented tax partially has been at the center of this chapter, as has the underexplored liberal strategy of de-coupling decentralization form equalization of productive capacities. The unintended consequence of de-linking included putting “under a certain type of question mark” the bargain between net-contributors and net-beneficiaries of the Partisan struggle. The uncertainty implied that the foundational bargain between anti-fascist elites, the ANVOJ bargain, might also be subject to renegotiation, and this, in turn, implied that pre-AVNOJ patterns of interaction between political elites had an unanticipated opening within a socialist system.

Conclusion: How Marxist Redistribution of Productive Capacity Fostered Employment-Based Workfare, not Need-based Welfare

Scholars agree that socialist self-management required decentralization. Decentralization substantially contributed to the Titoist regime’s legitimating strategy based on distinguishing itself from interwar legacy of Serbia-dominated centralization, the wartime legacy of the Ustaša chauvinism as well as post-war Stalinism.\textsuperscript{369} Achieving economic growth compatible not just with socialism, but with the Yugoslav variant of socialism used to attract attention, but nowadays hardly seems like a major controversy – the “Asian tigers” provided an apparently more successful model of state-led modernization. Not surprisingly, then, the relationship between two apparently competing goals of Titoist Yugoslavia, decentralization and equalization of productivity levels, receives only limited attention in the literature.\textsuperscript{370} This chapter has recounted
how liberals’ prioritized the one over the other and in doing so unintentionally undermined the AVNOJ bargain.

The Socioeconomic Policy Committee, a specialized group with the Central Committee, dealt with one of the most contested topics in politics and economics, the relationship between economic growth and income inequality. Its hitherto unexamined archive opens a window into how political elites and experts in 1960s Yugoslavia discussed this relationship, a dynamic period that coincided with brutal crushing of Czechoslovakia’s 1968 experiment with “socialism with a human face” by Soviet troops and large-scale social protest in Western Europe. The discussions revealed the mechanics behind putting decentralization ahead of the regional equalization of productivity levels, while two themes foreground and contextualize the analysis of archival documents, one more empirical and the other more conceptual.

Between the end of World War Two and the 1973 Oil Shock, both Cold War spheres exhibited laudable results according to their own metrics – GDP growth in the West, GNP growth in the Soviet sphere. In terms of income inequality, notwithstanding unprecedented growth in Western Europe, significant divergence between regions persisted, despite a consistent effort on the part of the European Community to address regional inequality. Divergence also persisted across Eastern Europe, yet only in Yugoslavia did regional development have such a prominent place in politics so early.

On a broader level, one peculiarity of the era of rapid post-war growth included a rare instance in modern European history in which the international demonstration effect worked both ways. The “backward” East became somewhat of the vanguard, not least by apparently solving problem of unemployment and of the business cycle, and the developed West became in part a “follower” with thorough embrace of economic planning. While the Soviet sphere industrialized, despite long-held fears by contemporaries, including such exceptional intellectuals as Paul Samuelson, the Soviet sphere had not “caught-up” by the Oil Crisis.

On a still broader level that introduces the conceptual issue relevant for reforms, the concerted focus on catching up with the West drove Marxist regimes to focus on increasing industrial production and this implied decreasing consumption. The Manichean logic of a rival, not a complementary, relationships between production and consumption had profound consequences, not least for welfare policies, a logic similar to that described in the previous chapter with regard to Yugoslav and official ethno-national identities – an absence of “non-zero-sumness” where the fear that the more citizens self-identified as Yugoslavs, the less they self-identified as Slovenes, Croats, Serbs and so on.

The Fund for Accelerated Development of Underdeveloped Republics and the Province of Kosovo (FADURK) and other social spending has served as a case study. While relief from natural disasters also has a spatial component, a parallel to Yugoslavia’s 1960s regional development program emerged in the European Community in the 1970s. The universality of “cohesion” funding that gradually evolved within the European Community, in the era after the accession the United Kingdom in 1975 and then of the poorer peripheral states since 1986 distinguishes it from special development zones (e.g., Tennessee Valley Authority). During the 1990s, only agriculture received more transfers than regions. The Fund opened a window into the broader similarity between the two Super Power camps, namely the connection between productivity and social citizenship. Whether or not workers owned their means of productions, the extent of social benefits they enjoyed depended on – productivity.

While the “politics of production” served to protect established property rights in the West after World War II (higher productivity translates into higher wages), in the Soviet sphere the
Marxist-Leninist tradition strongly pushed elites toward a dialectically opposite position, a position that may be called the “anti-politics of consumption.” Lenin, Stalin and Mao all furthered the redistribution of the means of production, an approach rooted in Marxist productionist justice, and one that starkly contrasted to the bourgeois notion of redistributive justice that augmented consumption among the working class (increasing aggregate demand without altering the supply-side).

The dictum was, “the structure of distribution is entirely determined by the structure of production.” In his 1875 *Critique of the Gotha Program*, Karl Marx simply noted that before the division of the total social product among those who participated in the production process, funds must be set aside for administration and for the “common satisfaction of needs, such as schools, health services, etc.” While Marx envisioned considerable growth in the provision of public goods, the dictum that workers must control the means of production implied a hierarchy of concerns about production above concerns about consumption and stood at least in partial counter-distinction from Adam Smith’s dictum that consumption is the sole end of production. Consequently, to the extent that issues of justice and fairness appeared in Marx’s writings, they may be described as productivist justice. Distributive justice, by contrast, had an unenviable place.

Most relevant for the 1960s liberalism in Yugoslavia, Marx repeatedly dismissed “ethical socialism.” In his 1847 *Poverty of Philosophy*, Marx critiqued the very ethical socialist, Pierre-Joseph Proudhon, on a number of grounds, including repeatedly dismissing Proudhon’s “equalitarian system,” or distributive equity. In the *Critique*, Marx bluntly asserted that it was in general a mistake to make a fuss about so-called distribution and put the principal stress on it….Any distribution whatever of the means of consumption is only a consequence of the distribution of the conditions of production themselves. The latter distribution, however, is a feature of the mode of production itself.” The third point of the Program occasioned this vitriol: “The emancipation of labor demands the promotion of the instruments of labor to the common property of society and the co-operative regulation of the total labor, with a fair distribution of the proceeds of labor.” Fair distribution, as debates chronicled, meant uravnilovka to hard-liners but marginal productivity to liberals. Both sided, however, accepted Lenin’s 1912 formulation of employment-based, non-need-based eligibility for benefits.

The policy established during the Stalinist period of leveling production capacities by centrally-planned industrialization, defined the socialist period and brought up the question of how to measure the effects of leveling, including the utility of a definition of development based on national income. Boris Kidrič, the economics czar after Andrija Hebrang’s violent purge, outlined the two approaches to equalization in 1946,

“(a) by a general leveling on the basis of the existing economic situation; or (b) through industrialization. Although aid to the underdeveloped and war-devastated states has been the duty of the economically developed and less distressed states, the principle of general leveling on the basis of existing conditions would be wrong. The proper way to do away with unevenness in the economic development of our states is to industrialize. Industrialization will secure intermittent progress of the economically developed states and (under the plan) enable the other states to catch up, in revolutionary jumps, and if necessary to surpass the more developed states. The regime thus embraced “productivist justice” and qualified distributive justice as an ideologically unacceptable. Yet, while in the Soviet Union pulled back from devolving economic
decision-making to regional councils -- Khrushchev’s so-called “sovarkhozy” reforms (1957-1964) stoked “localism” (“mestnichestvo”), or putting local above state-level economic interests – Yugoslavia lacked the internal capacity to reverse “localism” by the time of the 1971 purges.

While post-Stalin elites moved away from anti-politics of consumption – a minimum wage approved under Nikita Khrushchev, pensions increased, medical services multiplied as had apartment blocks – in Yugoslavia, the synthesis between bourgeois conspicuous consumption and war-socialism industrialization, the “good life” to borrow from a recent contribution emerged. Yet, from the 1960s, rough estimates of public spending reveal that old age insurance constituted the largest share of all social spending, and accounted for over half of the total public monies spent on social protection programs in both the Western and Eastern spheres (with clear ideological differences: formally, no unemployment insurance existed in the East). If old age insurance pointed to what the two Cold War spheres had in common, then the differences in spending priorities pointedly distinguished them. A focus on production that militated in favor of exceptionally high employment levels, male and female, helped explain the absence of unemployment insurance in the Soviet sphere and the presence of maternity insurance. The universality of healthcare and maternity benefits contrasted sharply with old-age insurance that struggled to devise an ideologically acceptable way to cover non-kolkhoz agricultural workers.

Changing the productive capacity of historically distinct regions required transfers from richer to poorer regions, but the more decentralized the state became the easier it became for richer regions to shirk. The official, if not the public language used to describe the transfer process neatly captures this: between the mid-1960s and the early 1970s “solidarity” begat “compensation” which begat “assistance.” In a sense, well before 1980s “welfare state retrenchment,” Yugoslavia exhibited 1960s “workfare state retrenchment.” The worsening macroeconomic situation provided a ready-made argument for abandoning equalization of productivity levels, but as the archival record reveals, arguments against such equalization emerged before, not after, the 1973 Oil Shock and thus well before the debt crisis of the 1980s.

The pursuit of decentralization, a substantially endogenous source of sociopolitical change in Yugoslavia, played a significant role in determining regional redistribution policies. As the Introduction outlined, prior to the 1963 Constitution, the federal budget provided most of the revenue for the budgets of the republics and provinces; by the 1974 Constitution, the federal budget received about half of its revenue from the republics. The implementation of solidaristic policies to equalize productivity levels became increasingly and then directly dependent on entity-based elites between the 1963 and 1974 Constitutions, which in turn left the federal administration with fewer options for socioeconomic development based on productivist justice (let alone on redistributive justice), a major blow to the federal regimes legitimacy. Thus, poorer regions had to accept Marx’s dictum that “the structure of distribution is completely determined by the structure of production,” and nothing like “the right to the enjoyment of an equal share in all property.”

In an impassioned speech before the Parliament of Serbia in May 1970, Dragutin Haramija, the reformist Prime Minster from Croatia, pinpointed a much-neglected consequence of Yugoslavia’s wedge status. Once proletarians move freely, their capital, however modest, does as well and thus private markets augment or even replace state-controlled planned markets. He implored his counterparts, “we must accept that it is better for this country that our people work in Yugoslavia, even if this means working in the private sector, than for our people to work abroad. However, due to some conceptions, I would call them conservative [Soviet] conceptions of socialism we do not seem to understand this, because we seem not to be willing to accept certain solutions.” Haramija had in mind the further expansion of private markets, anathema in the Soviet sphere with really existing socialism. “The private sector cannot threaten socialism, because we hold in our hands the commanding heights [“ključne grane”] of the economy.”

Haramija’s impassioned speech raises a question about the regime’s relationship to all those people working abroad, and specifically, given the regime’s gargantuan demand for convertible currency, what kind of collection mechanism for foreign currency had the federal regime devised? Oddly, despite the regime’s huge demand for foreign resources, currency in particular, and despite a readily available supply of foreign currency, a nearly million strong émigré community, concentrated in the world’s wealthiest regions circa 1945, the United States, Canada, and Southern Cone, the regime managed to devise only a rudimentary mechanism. The key component was based on – remittances, financial transfers that workers sent from abroad mostly to their families and that domestic banks handled. Before building more complex mechanisms for maximizing the financial benefits associated with economic emigration, and minimizing the associated costs such as a wealthy, concentrated interest group of citizens beyond the jurisdictional reach of the regime, political elites across Yugoslavia, political elites first needed to agree among themselves about the place of émigrés in the body politic. Underexplored archival evidence shows how, without a workable consensus, elites failed to create an effective institutional structure capable of “tax farming” among émigrés.

More to the point, elites at the federal level and in republics alike cared about three issues when dealing with émigrés. First, elites cared about maximizing cash receipts, a poisoned benefit of Yugoslavia’s international status because it raised the question of just distribution within a regime that severely constrained popular voice. Second, elites tracked the ethno-geographic origin of émigrés, a concern that stemmed from Yugoslavia’s recent history of internecine violence, and especially the inability of the Titoist regime to agree on “who were the Yugoslavs” and thus simplify decisively the national question, conventionally the biggest barrier to internal stability. Third, the federal regime as well as the republics struggled to manage an increasingly complex policy area absent top-down co-ordination, a struggle that revealed the “really existing” nature of the AVNOJ bargain and its limit as a vehicle of legitimating the regime.

Labor mobility constituted one of the earliest and perhaps most consequential liberal moves that elites across Yugoslavia permitted and, at times, encouraged. Labor mobility set an ambiguous precedent for the prosperity and, arguably, the stability of the common state: the weaker central oversight, the more liberal and progressive the policy, or the more liberal, the less Soviet and undesirable. “If all citizens of Yugoslavia are free to take up employment in all
regions of the country, then there is no need for any arrangements between republics. It is entirely up to enterprises to secure for themselves the labor they require,” noted a representative from Serbia in 1971. Perhaps the recent history of internecine violence provided one reason for some coordination between republics. Yet, on a purely self-interested level for elites from different republics, without some coordination between and indeed within republics, laborers from different localities competed against each other for jobs in Western, mostly German, enterprises, putting downward pressure on terms of their contracts and thus on the benefits elites hoped to realize. Another cluster of “political disadvantages” concerned the inability of republics to affect recentralization once devolution took place and another still that the regime missed an opportunity to foster a common identity among émigrés when the common state enjoyed international prestige (victory against Hitler and Stalin).

While the archival, quantitative and existing research marshaled below details how three issues persisted – remittances, ethno-geography and institutions -- imagining alternatives and paths not taken seems somewhat more challenging in the Yugoslav context compared to Czechoslovak case, where it now seems comparatively easy to imagine a common state let alone closer ties to Diaspora communities. Republics and provinces had limited and continually decreasing federal oversight since the mid-1950s and this suggests that the AVNOJ bargain structured the triangulation of economic, ethno-national and political elements of migration policy, and far more so than international factors. Even with a relatively favorable domestic and international environment from the late 1950s to the early 1970s – the West wanted Yugoslavia’s labor and the Soviets normalization -- even with a critical need for foreign currency to hasten industrialization, federal institutions could not do very much, let alone implement creative policy, once the republics had competing interests and priorities.

A section covers each of the four major phases of the Yugoslav experiment prior to Tito’s death, with the 1960s receiving most attention. Each section addresses one of the three relevant distinguishing features of the experiment, remittances (a result of the international wedge status), ethno-geography (a result of the ambiguities in the nationality policy) and devolution (a result of the bargain among elites to maximize self-rule while minimizing the security threats to the party’s hegemony). The first section captures the break with Stalin, and the much harder break with Stalinism, by showing how the regime moved away from hardline conceptions of collaboration. As the Soviet regime began dismantling the gulag system after Stalin’s death, the Titoist the regime incorporated “quislings” into the socialist body politic, although as second-class citizens. Much of what happened in the mid-1950s involved the Cabinet of the President of the Republic, Tito, and the epicenter of the Yugoslav system, whose archives recently opened.

The second section introduces the seventh republic, an evocative collective designation of the émigré community. The seventh republic, disproportionately consisting of those how hailed from territories incorporated into socialist Slovenia and Croatia (Istria and Dalmatia), served as a “reservoir of hard currency” for the regime that took practically no action to foster a Yugoslav identity among émigrés. The relative weakness of a common identity within Yugoslavia emerges in a clearer light once archival sources show the absence of such efforts among a strategically important constituency abroad. The second section also introduces the state and communist party entities subordinate to Tito’s cabinet. Thus, the tour of decision-making moves from the equivalent of the federal government, the Federal Executive Council (SIV), to the main consultative institution, the Socialist Alliance of Workers of Yugoslavia (SSRNJ) and, lastly, shows the work of the Central Committees of the parties. The third section shows how devolution effectively meant that each republic had a distinct approach to emigration (a “policy
regime”), the fourth that after the 1971 purges the federal regime acknowledged economic emigration as a permanent phenomenon. A future iteration of the project takes up the role of internal migration. 391

“Quislings,” Repatriation and the Policy Space of Emigration before the 1960s

The settling of accounts with internal enemies in Yugoslavia followed a brutal pattern seen across Europe, West and not just East, a process evocatively dubbed as the “politics of retribution.” 392 Tito’s regime sedulously suppressed internal enemies. Royalists and the Ustaša comprised the primary targets while genuine supporters for parliamentary democracy and social democrats comprised secondary targets for repressive activity. As Congressional testimony from the late 1940s by exiled parliamentarian politicians reveals, some of Tito’s detractors enjoyed official recognition. 393 Later in the 1940s, the regime brutally purged pro-Stalin cadres. As internal opponents to Tito’s regime “became” political émigré, the secret police shadowed émigré groups abroad until the 1990s disintegration. This exemplified the support of Titoist elites for what nationally-oriented dissidents dubbed “party monism” and their commitment to the strategic destruction of perceived threats. 394 The association between emigration and reactionary politics or at least anti-socialism, complicated policy making in Croatia and, it seems to a lesser extent in Serbia and Slovenia. 395

While the regime internally focused on destroying its opponents, externally the federal regime pursued a repatriation policy immediately after the war. Repatriation easily qualified as the most significant international initiative of the nascent regime outside of its well-known participation in the formation of multilateral institutions (United Nations, Bretton Woods). The Cominform crisis halted a promising start. From almost five thousand returnees in 1947 and six in 1948, the number of returnees plummeted to twelve hundred in 1949 and a mere five hundred returnees in 1950, demonstrating the direct impact of geopolitical developments on domestic conditions. Between 1945 and 1951, the program led to the resettlement of a mere 16,000, half of them to Croatia and a fifth to Slovenia, at a gargantuan cost of at least 100 million dinars ($2.5 million). 396

To put the figure in perspective, the American Committee for Yugoslav Relief, the most prominent voluntary aid organization, collected some $2.7 million in war relief. 397 As with the repatriation program pursued by Croatia in the 1990s, the achievements of the regime fell short of initial expectations, but merit further research and showed willingness to incorporate a community that send substantial humanitarian aid. 398 The aspect of repatriation most relevant to economic reforms concerned the regime’s categorization of the émigré community into two opposing clusters, the economic (potentially beneficial or just benign) and the political (clearly malign). An opening existed for the incorporation of some émigrés into the socialist body politic, all be it as second-class citizens.

Another relevant aspect was that even before decentralizing reforms in the early 1950s, a centralized institution to manage émigré policy, including the co-option of expatriates so pedantically outlined in Congressional testimony, had not re-emerged at the federal level. 399 After World War II, the domestic side of émigré policy shifted between various executive organs (Ministries became Secretariats with the creation of the Federal Executive Council in 1953, Table 21). By contrast, in the first Yugoslavia, a centralized approach prevailed. The Ministry of Social Affairs and National Health ran the Central Émigré Commissariat, the only major administrative institution headquartered in Zagreb, not the capital, Belgrade. 400 The lead
executive branch agency tasked with emigration changed half-dozen times from end of war before the resurgence of labor migration in early 1960s. As political decentralization increased after the Cominform crisis, the next section shows, each executive agency had more of an incentive to guard its “turf,” which explained partly why such limited coordination emerged among Secretariats (Ministries).

Apart from specialized agencies within the federal Secretariats (Ministries) and their counterparts within republics, discussed below in more detail, perhaps the most visible institution tasked with emigration were the Matice iseljenika (Émigré Heritage Foundations). The Émigré Foundations existed outside the executive apparatus, unlike the Émigré Commissariat in the royalist Yugoslavia or Ministries for the Diaspora formed in the successor states. The budgets and staffs of the Émigré Heritage Foundations remained modest, and each republic and province had its own Foundation. No Yugoslav Foundation existed per se although republic-based committees met collectively. They signified in a small but telling example just how decentralized post-Stalin institutions were and how limited the effort to foster a Yugoslav identity among émigrés, by contrast to neighboring Italy.

Birthing the “Seventh Republic”: Titoism and Economic Émigrés Before Small Reforms of 1961

In the 1950s, the Titoist regime’s willingness to co-operate with the West as well as to incorporate economic émigrés into the new socialist polity and overall take of a pragmatic stance showed an early instance of reform socialism. While internal political reasons, the AVNOJ bargain, substantially explained the limits the federal regime faced in the aftermath of the Cominform crisis (1948-1952), the move away from Soviet practices enabled at least rhetorically the decoupling of Marxism from Stalinism. With the decoupling of Marxist theory from Soviet practices, a short step seemed to remain until the emergence of reform socialism, including the emergence of so-called Marxist humanism as well as openly revisionist economics. Labor mobility showed how short the step from decoupling to reformism turned out to be, just as capital mobility showed how involved and long that short step from decoupling to reformism turned out to be in Yugoslavia.

A statement from 1953, encapsulated the official policy of the Titoist regime:

After the war, a large number of so-called displaced persons moved to the United States of America and especially to Canada. Among them are a small number of enemies of the people and war criminals, and a large number of persons who were seduced [zavedeni] by Ustaša and Četnik propaganda, and so escaped during the liberation of the country [Yugoslavia] or remained in Germany and Austria as war prisoners. Since a majority of these people found themselves abroad for the above-mentioned reasons [seduced by anti-socialist ideologies], and not because they committed [war] crimes, there is no doubt that they have sympathies for the homeland that they left behind.

Bracketing out the population transfer and exchanges that affected Italian, German, Hungarian as well as Albanian and, somewhat later, ethnic Turkish communities, from the early 1950s, some political space existed for the eventual reintegration into the socialist order of South Slavs. Some of those “seduced by Ustaša and Četnik propaganda” returned, not so the ethnic Turkish
community in Macedonia of Italian community from Istria, or the better-known case of ethnic Germans.

Despite the clarity of the official statement, work of top cadres revealed the messiness, and the urgency, of defining post-Stalinist emigration policy. The views of two senior cadres, Ljubo Leontić, a signatory to the AVNOJ Declaration from Croatia and Yugoslavia’s representative to the Preparatory Commission of the United Nations, and Lidiija Šentjurc, a veteran revolutionary from Slovenia and perhaps the highest ranked female cadre, mapped out some of the values invoked by elites, the perceived key issues emigration touched as well as the specific strategies to be pursued. 406 Much of what became the party’s approach seemed encapsulated by Leontić’s explosive subtitle for a memorandum to Tito, “Émigrés Count as Our Seventh Republic, Émigrés Remittances Are Our Treasure-trove of Hard Currency.” Written for Croatia’s just reconstituted Émigré Heritage Foundation (Matica iseljenika) in 1954, the memorandum explained why the inclusion of the “seduced” into the socialist body politic was possible. Their inclusion or in contemporary migration studies terminology incorporation, represented a defining element of a post-Stalin policy, not least because of the risks entails.407

The notion that expatriates, far from being traitors, belong to and materially support the homeland as its seventh republic, in addition to the six constitutive ones, ran counter to image of émigrés as “Whites” (“beloemigratsi”) supportive of reactionary bourgeois exploiters, an image established during the Russian Revolution and altered very slightly by such Soviet-philic émigré organizations as “Change of Signposts.”408 What made incorporation of émigrés possible in Yugoslavia’s case, but not the Soviet or Czechoslovak cases?

One factor included the close relationship between some elites and émigrés, for instance the personal relationships between Tito and progressive Slovene-American author, Louis Adamic (Alojz Adamič) that led to his investigation by the House Committee on Un-American Activities (HUAC) and the FBI.409 Unlike the Soviet model, the regime accepted a gradation of individual motivations that resulted in a binary categorization of émigrés into politically hostile or else economically potentially beneficial. Leontić’s rough estimate of “political emigration” of 70,000 to 100,000 showed the practical implications of gradation within an émigré population of between 700,000 to 900,000.410 The categorization persisted with the occasional inclusion of a third category – adventurers, depicted as neither politically hostile nor economically beneficial, itself indirect testimony to the regime’s relative openness. Although of questionable veracity, assuming that barely 10% of the seventh republic counted as explicitly ideologically hostile to socialism left the regime with a variety of alternatives not least reconsidering repatriation.411

Leontić stated with unusual candor the deleterious consequences of two principle policy alternatives, halting emigration and restarting repatriation:

Of crucial importance to the entire Yugoslav community (not only from an economic but also from the political point of view) is the question of return of migrants to the hinterland [pasivne krajeve] of people’s republics from which uncouth peasants [priprosti seljaci] emigrated. Those are precisely the regions where Croats live together with Serbs – Lika, Dalmatia, Herzegovina –, which is precisely why these regions were such a horrific wartime stage of internecine slaughter [ratna pozornica medjusobnog klanja]. Moreover, all the quisling [izdajnička] emigration, Ustaša and Četnik, thoroughly use even today those still living memories through ceaseless agitation, and to the great detriment of the new Yugoslavia.412
Émigrés sent invaluable economic resources to the fledgling regime but disproportionately hailed from those ethnically mixed regions of Croatia and Bosnia especially afflicted by World War Two-era internecine violence. On the one hand, their repatriation would hurt the regime economically at least in the short run (fewer remittances), to say nothing of the potential political crisis that their reintegration might trigger. On the other hand, the continued emptying of violence-afflicted regions potentially had short-term positive economic effects – fewer “uncouth peasants” to employ at home and increased remittances from abroad.

Yugoslavia’s relative openness to the West, another post-Stalinist element of the official approach, meant that returnees sent “hundreds of thousands of letters” abroad annually. This complemented the political émigrés’ work with antagonist foreign powers, above all the Vatican and the United States, ideological adversaries that Yugoslavia shared with the other socialist countries. The two in combination, letters going out and foreign powers courting anti-socialist émigrés, severely limit what Leontić called the “propaganda work” of the regime. Few subsequent assessments outlined so undiplomatically the Catch-22 faced by the regime.\(^{413}\) So long as an association, even a limited one, existed between remittances and those who had been responsible for internecine violence, the beneficial effects on Yugoslavia’s balance of trade in the short term appeared modest compared to the long-term challenge that remittances presented to the regime’s revolutionary legitimacy. From the point of view of “socialist morality,” keeping suspect political émigrés abroad while benefiting from remittances sent by the economic migrant majority whiffed of tawdriness. Subsequent official analyses downplayed but never ignored the ethno-geographic aspect of labor migration as well the connections with internecine violence.\(^{414}\)

In a calmer tone than Ljubo Leontić, Lidija Šentjurc framed emigration as a comparatively non-ideological issue, a framing that persisted well into the 1970s and constituted a third element of the post-Stalin approach and perhaps the most contentious one.\(^{415}\) Šentjurc directly wrote to Joža Vilfan, Tito’s Chief of Cabinet who had many contacts with North American émigrés as a delegate to the United Nations, and noted that economic hardship explained desire for emigration, rather than some active political opposition to the regime.\(^{416}\) The rather detailed analysis of main émigré civic organizations and their publications, testimony to the efficacy of the security apparatus that tracked their activities, intimated what now seems a plausible connection between Partisan territorial gains and support for the regime. Slovene émigré organizations supported territorial gains around Trieste, and Croat ones the gains in Istria and Dalmatia, all regions with high emigration rates, while Serb émigré organizations opposed as dangerously adventurist Tito’s territorial brinkmanship (Table 22).\(^{417}\)

These three elements of the party’s approach, partial incorporation of émigrés into the socialist state, openness to the West and pragmatism, changed somewhat yet like the AVNOJ bargain, the essential elements nonetheless remained. Above all, internal barriers existed against the expansion or even formation of federal institutions, an element of bargain that remained. Even in the “centralized” 1950s and even when elites in republics pushed for federal intervention, once devolution had taken place recentralization appeared unlikely, as exemplified by 1954 petition of the main intermediary institution that handled émigré issues Croatia’s Émigré Heritage Foundation to Tito and another in 1957 by the Federal Secretariat of Foreign Affairs. Croatia’s Heritage Foundation, which had a larger staff than all Heritage Foundations, proposed the establishment of a new permanent subcommittee in the Federal Parliament. The Foundation also asked for a more intricate set of mechanisms to deal with the benefits and costs of emigration, including unrestricted import of durable goods and agricultural machinery, and the protection of pension and healthcare rights of returnees, a tremendous incentive for emigration.
within a country still rebuilding after World War II. The call for less depreciated conversion rates for foreign currency, a recurring grievance against Belgrade, showed the regime’s rudimentary current approach based on skimming rents from remittances – converting currency at the unrealistic official rater, not at the much higher rate used to subsidize exporting firms received. Yet, it also showed a political practice where intermediary organization, non-party or non-state actors, made serious demands and “spoke truth to power,” in this case the highest power, Tito.418
While most of these ameliorative measures eventually passed, from lifting import restriction, to the successive devaluations of the dinar, particularly after the 1965 reforms, no institutional change occurred that might have done more involved, and more profitable, than skimming fees from bank transactions.

The Federal Secretariat (Ministry) of Foreign Affairs asked the Federal Executive Council in April 1957 for a centralized executive agency to deal with emigration since a single person worked in the Émigré Section of the Foreign Affairs Secretariat. The severe understaffing in the Section made it difficult to supervise the work of 12 consular staff across the world working with émigrés, let alone do something strategic. The Federal Executive augmented the Commission into a consultative and coordinating Council on Émigré Issues in April 1958 but took no steps to create an all-Yugoslav Heritage Foundation to replace a weak coordinating committee. 419 A decade passed before an adequate legal framework emerged and so the difficulties intimated a type of federalism in the 1950s structured by the AVNOJ bargain.

Each republic had a subsidiary institution to a federal one and, as the following section will show, the role of republic-based institutions tended to expand while those of the federation remained the same or decreased (e.g., Labor Bureau). The federalism promised by the AVNOJ bargain and shaped by the Soviet model, helped produce typical compartmentalized divisions within federal and republic-based institutions. The Federal Secretariat for Foreign Affairs served as the “first responder” abroad for émigré issues and Yugoslavia’s National Bank dealt with currency issues. Even in the 1940s, the Federal Justice Secretariat transferred some legal matters to lower-level institutions and thus each republic’s welfare-agency dealt with return migrants in the late 1940s, half of whom repatriated to Croatia. Each republic’s Secretariat for Internal Affairs approved requests for emigration and issued residency (citizenship) documents. The republic-based Justice Secretariat adjudicated on residency status. The Employment Bureau (Zavod za poslove zapošljavanja), formed in 1960 to deal with work-related issues (unlike the Labor Secretariat, which dealt with labor policy more broadly) tracked economic migrants and, beginning in the mid-1960s, attempted, and largely failed, to coordinate their departure. 420

A significant reason for the failure of the federal Employment Bureau stemmed from the limited oversight and budgetary control over republic-based and, critically, municipal Bureaus that comprised critical nodes in the tracking process; official records cumulatively undercounted the number of émigrés by at least 15%. 421 In fact, federal regulations drafted in 1963 specifically granted municipal Employment Bureaus the responsibility to sign contracts with foreign (read capitalist) employers, in stark contrast to a centralized model where foreign employers would submit requests and a federal or centralized agency served as a clearing house, as for example happened in Morocco or Mexico. Old age insurance constituted a sphere where federal coordination would have simplified matters tremendously, especially once return migration picked up in the early 1960s. Instead, each republic’s Social Insurance Service (the equivalent of the Social Security Administration in the United States but with each of the 50 states operating largely independently) dealt with pension and invalidity issues. 422
Emigration offered numerous examples of how, in absence of a central authority that enforced federal standards, each republic devised its own approach. Thus, emigration policy suggests one way in which political devolution perpetuated unintentionally pre-socialist differences. For instance, with relatively abundant human capital it is not surprising that Slovenia’s Émigré Heritage Foundation already organized group visits of émigrés by the mid-1950s. The visits included tours of key cultural and industrial sites (Kopar’s “Tomos” motorcycle and Kranj’s “Iskra” home appliances factories), as well as meetings with dignitaries like Miha Marinko. By contrast, with a scarcity of cadres and a dearth of human capital Macedonia’s Émigré Foundation only produced a specialized magazine and films for a large overseas community in Australia and Canada, while Montenegro had not even constituted a Foundation.

Despite very different places of emigration in their respective policy space Croatia’s and Serbia’s Émigré Foundations both urged in the fall of 1960, right before the enactment of the 1961 “small” reforms, the creation of a central oversight authority. Even when the two largest republics wanted the creation of a central oversight authority, such an authority failed to emerge. A central planner from the Belgrade-based federal bureaucracy had not devised policies, let alone monitored their implementation.

The absence of coordination, which led to each republic having its own policy by default, showed how the AVNOJ bargain had very real costs but proved difficult to alter. Although at the time the bargain hardly looked like “path-dependence,” nonetheless, departure from its internal logic, even when there was “money on the table,” and convertible money at that, had not taken place in the 1950s. For example, remittance inflows increased steadily, and memoranda still reported them in dinars throughout the 1950s (1.3 billion in 1954, to 7.7 billion in 1956 and 8.9 billion in 1957). The National Bank paid a 100% bonus for converting into dinars the hard currency sent by workers, while it charged differential exchange rate (600 dinars for one dollar for those with official residency, but only 400 dinars for tourists and those without residency). The regime clearly needed hard currency, which better legislation promised to deliver. Yet, this took years: a series of administrative regulations passed starting from the mid-1960s began to provide the required legal framework and only after the Karadjordjevo purge was the currency issue partially resolved in 1972.

In the first decade after the break with Stalin, therefore, the vulnerabilities of the Titoist system emerged and some insiders, in this case elites from Croatia, defined those vulnerabilities: the legacy of the World War, the search for institutions that took seriously the interest of republics without paralyzing the federation and the glut for capital. The three issues reinforced each other. Visiting émigrés, who mostly had not possessed their residency cards due to cumbersome procedure of legally regulating one’s status with the Secretariat of Internal Affairs of one’s home republic -- not of the federation – received the same, depreciated exchange rate as “real” foreigners (e.g., tourists from Germany). The visitors from Slovenia and Croatia, the two largest “sending” republics, complained to their respective Heritage Foundations, which could do very little outside of pointing out that hostile political émigrés made good use of the socialist regime’s, to use a contemporary term, “othering” of émigrés.

The first steps away from the Soviet blueprints in the 1950s showed the huge opportunities for reform as well as its contingency on the AVNOJ bargain. Rather than creating an institution for collecting remittances and spreading pro-regime propaganda in the West, the federal regime managed only to create another Council for Émigré Questions within the auspices of the Socialist Alliance of the Workers, the main “intermediary organization” between the party
and other significant social factors, the unions, republics and municipalities, experts. The Council operated within, tellingly enough, the Commission for National Minorities and its early publication from November 1960 plainly outlined how much the regime could do and how little the Council could do.\textsuperscript{426} The limited growth of federal agencies and internal barriers to recentralization, vertical and horizontal (civic organization, diplomatic service) was a reality Tito acknowledged perhaps in part because it solidified his role as “arbiter in chief” who adjudicated over the many internal checks within the federation and so exasperated an institutional misbalance favoring the expansion of security-related over civilian federal-level structures.\textsuperscript{427} While the consular staff eventually increased after the mid-1960s and worked in some 17 new consulates across Western Europe, making its ethnic make-up an openly contentious matter, an all-Yugoslav Heritage Foundation never emerged.\textsuperscript{428} Indeed, Croatia’s Central Committee, during an April 1960 session, noted disapprovingly that emigration policy had de facto been passed on to republic-based Heritage Foundations and repeated the call made by Ljubo Leontić in the mid-1950s for a specialized executive agency.\textsuperscript{429}

Abstracting from emigration, the liberals who devised and implemented the economic reforms did so in a pseudo-federalist system where republics, and not just existing federal agencies and party organizations, had significant discretion within their jurisdiction and could delay the expansion of executive branch institutions. On the level of the federation, the legislative process provided many opportunities to block the expansion of the federation, as the fate of the draft emigration law exemplified. On the level of republics, the work of the Émigré Heritage Foundations underlined that republics could make policy choices (however constrained by security and ideological considerations or administrative capacity). The 1963 Constitution enshrined decentralization. Afterwards, the examined archival records suggest that republics took fewer initiatives to create federal institutions – though, dangerously, not the federation’s role as the lender of last and first resort -- and thus a window of opportunity seemed closed on successes of mutually beneficial cooperation between republics through the creation of a federal institution. Relevant for the 1960s economic reforms, the very absence of a centralized regulatory mechanism made enforcement of painful reforms more contingent on a broad social agreement regarding reforms.

\textit{Integration into the “global division of labor”: The Visible Costs and Invisible Benefits of the Reforming 1960s}

If the Stalinist years showed how much elites relied on Soviet methods (e.g., destruction of internal opposition), and the 1950s witnessed some pragmatic adaptations of socialism (economic vs. political emigration), the 1960s tested the capacity of Partisan-era elites to adapt the AVNOJ bargain as images from the West saturated the population and a younger generation of political elites inexorably began replacing their elders. The factional struggle among this emergent or first post-war generation, culminating in the 1971 purges, takes center stage in Chapter 6, with the focus here on the impact of Western demand for labor.

Until the mid-1960s, North America, and especially the United States, naturally forms the focus of any study of migration since this is where over four-fifths of the one million or so émigrés form Yugoslav lands lived, worked, and created various institutions, including ethnically-based fraternal organizations with multi-million dollar endowments and mass publications. Starting in the late 1950s and throughout the 1960s, Western Europe’s remarkable “Golden Age,” and Germany’s especially, translated into an increased demand for émigré labor.
The Deutsch Mark replaced the dollar as the principle denomination for sending remittances, and the dollar replaced the dinar as the principal denomination for reporting financial transactions in internal documents. These so-called invisible transfers accounted for between a fourth and a fifth of all hard currency receipts in the 1960s and 1970s and, to underline their macroeconomic effects, roughly equaled the current account deficit by the late 1960s. Invisibles thus represent a little studied case of where an arguably positive factor, not available to other socialist regimes, in fact significantly de-legitimized the federal and most republic-based regimes while fueling resentment between and within political communities – a prime example of how a potentially centripetal force became a centrifugal one (Table 23 shows the exponential growth of remittances).

Apart from the geopolitical shift away from the centrality of the United States and the Soviet Union and the increased importance of Western Europe and the Non-Aligned countries, another significant development for the fate of the economic reforms included that Tito and his Cabinet focused on foreign affairs in the late 1950s and early 1960s. Quite noteworthy in the Cold War era, Tito helped engineer the Non-Aligned Movement, whose major conference took place in Belgrade in 1961. The pharaonic spectacle of the non-aligned, featuring dozens of heads of (mostly newly de-colonialized) states, Sukarno of Indonesia, Jawaharlal Nehru of India, Gamal Nasser of Egypt and Kwame Nkrumah of Ghana, had somewhat of a counterpart in Tito’s 1980 “epochal funeral.”

Between the enactment of the “small” (1961), the first effort to introduce a convertible dinar, and the “large” reforms (1965), federal policy re-engaged the emigré community in a way not seen since the repatriation campaign in the late 1940s. Yet the greater attention had not translated into the emergence of an effective institutional mechanism for dealing with labor emigration. By the early 1960s, the question became not whether but what kind of community economic migrants comprised. Regrettably, the federal regime treated that community, the seventh republic, more as extractive than to a settler community, to make use of the broad distinction between extractive and settler colonies. Even more than republic-based elites, federal elites, had practically no way to create a settler as oppose to an extractive colony. The AVNOJ bargain precluded the emergence of necessary federal-level institutions for the former while the benefits of the later proved “a double-edged sword,” as an official from Slovenia, the republic with least extractive relations with expatriates, noted in the aftermath of the 1971 purges.

Amnestying those “Seduced” by Propaganda and the Beginning of 1960s Reformism

A July 1961 interview in the main daily, Politika, with Aleksandar Ranković, Tito’s undisputed top security official from World War II until his 1966 purge, announced an amnesty law. The law allowed the return of combatants and other who fought against the regime during World War II, a cohort officially estimated at 150,000. Emigration policy thus moved further away from prominently dealing with “quislings,” the most malignant political enemies of the regime, and became a volatile amalgam of the regime’s security concerns and its ideologically more controversial embrace of economic self-interests.

The party daily, Borba, acknowledged the existence of the emigration as an issue in February 1962. Along with the amnesty law, the Federal Labor Secretariat (Ministry) proceeded with drafting a directive based on workers receiving referrals to emigrate as a way of regulating employment abroad, a decisive move by the regime (Službeni list FNRJ, br. 46/62).
The two measures shared a reliance on republics for implementation. In the case of the amnesty law, republic-based Secretariats (Ministries) of Internal Affairs processed the applications by émigrés, not the federal one, while the case of Labor Secretariat epitomized a far more troubling pattern. The federal regime effectively wanted to export the unemployed to the West -- and have them cover maintenance costs of their remaining family members -- but failed to establish meaningful controls over departures, or to designate the lead agency (the Federal Employment Bureau, May 1968), and thus gave municipalities’ significant discretion. Under the legislation, “only unqualified and semi-qualified workers, and primarily those who are temporarily unemployed” ought to receive a permission to emigrate (“uput”) of the referral automatically; all other workers required added screening. In practice, municipal bureaus directly negotiated collective contracts with foreign employers – by one estimate, over 100 different bureaus -- something unthinkable in planned economies and something that promised to strengthen an ethnically based political economy a point discussed further below.

The local officials who controlled access to foreign jobs in effect controlled the economic welfare of the prospective émigré, overwhelmingly young men in the 1960s, and of the émigré’s family. If local officials belonged to one ethnic group, as ethnic Serbs had in Croatia and, until the late-1960s, in Kosovo, and job seekers to another, ethnic Croats and Kosovo Albanians, what prevented officials from providing the choicest jobs to their own ethnic kin? However limited the evidence of such practices, with Yugoslavia’s liberal passport regime, even in the early 1960s, only about a half of the émigrés requested a referral for emigration, except, suggestively, in Slovenia where almost all requested referrals. A protest note existed from the head of Germany’s Employment Bureau in 1967 about the “competition and clashes,” between municipal representatives in their efforts to place their workers with western firms. Vladimir Bakarić, the top cadre in Croatia, noted the regime had few ways to prevent “vacations” to Germany and Belgium without restricting the passport regime although Croatia’s Central Committee condemned the phenomenon as “foreign to socialism.”

On the heels of the amnesty law, the 1963 Guide for the Legal Regulations for Yugoslav Émigrés (Vodič kroz pravne propise za Jugoslovenske iseljenike) represented an uneven mix between criminal and business law. The Guide concisely flaunted the regime’s piecemeal approach before the mid-1960s emigration wave, highlighting what the federal regime could do – pass laws to simplify financial transactions and thus mollify émigré pressure groups - and what it could not do – change the institutional architecture such that emigration existed within a less fragmented policy space. For instance, conspicuously absent from the collection were pension and other social insurance agreements between Yugoslavia and receiving countries. Those occurred gradually, as bilateral agreements were signed (with France in 1965, Austria and Sweden in 1966, West Germany in 1968), but applied to those who left legally.

In his conversations with Tito and Roman Albreht, Boris Kraigher, the economics tsar who ushered through the 1965 liberal reforms and perhaps the most powerful cadre from Slovenia, had not brought up possible negative monetary consequences of increased inflow of remittances. Indeed, the Savet approvingly noted their increase and urged for the Federal Executive Council (Government) to do more to increase their flow yet had no lever to stimulate domestic savings of remittances, as Croatia’s Government publically urged, and arrest the inflation-inducing spending of émigrés and their families on positional goods and services (e.g., gargantuan houses in the hinterland).

Taken together, these three measures -- the amnesty law, the employment directive and the legal guide-- captured the insipient reformist spirit and coincided with the first big debate on
language, and thus on national issues and meaning of Yugoslavism. The regime quickly set a provisional definition and positions in 1954 after the Tito-Stalin split. Whatever the official, public language about Yugoslavism and brotherhood and unity, in the internal, secret language of federal and republic-based elites dealing with migration, Yugoslavs remained dust another part of official ideology much as commitment to some form of equality remained part of socialist ideology until the dissolution.446

The de facto extractive relationship remained between émigrés and the common state. For instance, Vicko Krstulović, in a December 1963 meeting with Lazar Koliševski, a top Macedonian official and reformer, and Djuro Stanković, the President of the Council within the Socialist Alliance, protested against the “highly deflated” exchange rate used in the late 1940s, just as, among others, Ljubo Leontić had ten years earlier. Even if only a strong-willed official dared broach an economic grievance, this lone snippet showed the issue had not disappeared, nor should it have given that the rough estimates of total émigré transfers (remittances, inheritances, foreign savings, etc.) amounted to some $1billion since the war, including some $400 million in various forms of war reconstruction aid.447 To put the figures in perspective, UNRRA provided Yugoslavia with some $420 million in grant aid, the forth-largest net amount among beneficiary.448 As in the 1950s, the academic community had limited access to these figures, and even less to figures about wartime émigrés or those that showed that émigrés remained the largest source of hard currency. In a partial change from the 1950s, the economic émigrés' loyalty to Yugoslavia – though not to socialism – now seemed almost unproblematic, as seen by the almost offhand qualification that émigrés are “those who build houses and buy estates in Yugoslavia as if sending remittance and buying positional goods showed a kind of loyalty.”449

More revealing than the absence of any condemnation of emigrates by the regime for un-socialist behavior of economic émigrés (acquiring private property in lieu of saving), recommendations showed how increasing cooperation with various Western institutions trumped discernible ideological commitments, both parts of the Leontić-Šentjurc framing. Top republic-based elites endorsed cooperation with Belgium, where the socialist government requested 10,000 workers from Yugoslavia, with labor unions in West Germany, so that workers from Yugoslavia might achieve the same rights as their counterparts from Greece, Italy and Spain, and even with non-revolutionary Social Democratic Parties. Domestically, the Federal Executive Council needed to simplify administrative procedures and better coordinate departures. Yet, the security apparatus constituted a significant internal barrier to increased interaction with the West. Snippets in otherwise dry memoranda revealed the ubiquity of the security apparatus and its concern for the “ethnic dimension” of emigration, for example about a certain Draganović, “who lives in an abbey and frequently congregates with Gradiška Croats. His activity is quite refined, and is not based on propagating Ustaša ideology, but rather on evoking the traditions of the Croatian people.” 450 While the Labor Secretariat formed an intra-agency Commission with representatives from the Secretariats of Foreign Affairs and Internal Affairs, Alliance of Syndicates and the Chamber of Commerce and Industry, this hardly solved the “bureaucratic chaos.”451

The exponential growth of foreign currency receipts, by one official account up from about $5. 3million in 1954 to $48million in 1963, and emigration's contribution to improved relations between Yugoslavia and the host countries, a slightly veiled reference to former Axis powers, West Germany and Austria, easily outweighed concerns about the nascent “skill drain.” Still, officials acknowledged the drain, estimating that some 30% of émigrés were skilled and 10% highly skilled workers. The skill composition of émigrés became a major concern in just a
few years when, for the first time, Slovenes no longer constituted the largest per capita émigré group. To complete the image of the seventh republic as a “cash cow,” in December 1964 Federal Executive Council, instructed in what now sounds like a familiar “talking point” that in public addresses by the government no permanent emigration occurred, rather “citizens of Yugoslavia temporarily worked aboard.”

Since temporary work abroad officially became a permanent phenomenon, the main labor union congress that staunchly defended worker rights and opposed permitting emigration, the Council of the Alliance of Syndicates of Yugoslavia (Veće saveza sindikata Jugoslavije, SSJ), capitulated to reality and created its own committee. In November 1965, some four years after the Socialist Alliance created a special body, the Alliance of Syndicates inaugurated the Committee for the Questions of Employment of Workers Abroad (Odbor za pitanje zapošljavanje radnika u inostranstvu). Quislings had receded into the background. Thus, distinctions persisted between older and new migrants well after the amnesty law (1961-1962) partially reintegrated wartime émigrés into the body politic and had the anticipated effect of increasing tourism. For instance, the 1964 annual report of Socialist Alliance’s Council, marked as confidential, noted that in 1964 some 15,000 émigrés visited Yugoslavia as well as some 30,000 economic émigrés, a subtle but telling distinction between older and socialist-era migrants.

“On matters regarding the import of our workers”: The Mid-1960s High Tide of Reformism

The market-oriented reforms enacted in July of 1965 included an attempt to get the dinar convertible by first devaluing the dinar from its IMF-registered rate of 300 to 1,250 dinars for one US dollar (the accounting rate had been higher, 750 dinars for one US dollar). The population responded explosively to the devaluation that was a cornerstone of the reformist package. The short-term effects included a dramatic reduction in the inflow of remittances during the three summer months to $3.9 million, almost half less than the amount from the previous summer. At the same time, the import of durable goods skyrocketed because the anticipated devaluation of the dinar raised the dinar-denominated price of imported goods (a $1 good cost 750 dinars on 25 July 1965 but 1,250 the next day, after devaluation). “In the first eight months of this year [1965] the following was imported: 4,317 trucks, 7,010 automobiles, 297 tractors, 667 of various motors, 111 threshers, etc., while in the whole of last year [1964] 1,438 trucks, 2,543 automobiles, 49 tractors, 193 motors and 15 threshers, etc. were imported.” Apart from the immediate effects, the passage of the reforms had not changed the persistence of the three themes – currency, the ethnic dimension, inadequate institutions – now conveniently summarized in bulletins produced on a bi-monthly basis by the Socialist Alliance’s Committee.

The Committee’s imputation of the maximum hard currency receipts epitomized the elite’s extractive concerns:

<table>
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<tr>
<th>Maximum possible savings</th>
<th>Maximum possible savings of émigrés</th>
<th>* Number of émigrés</th>
</tr>
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<tbody>
<tr>
<td>Potential hard currency receipts</td>
<td>Maximum possible savings of émigrés</td>
<td>– Actual hard currency receipts tracked by National Bank</td>
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Leaving aside that the estimation procedure seems at odds with “socialist morality,” little in the annual report for 1965 appeared that showed a belief in the superiority of self-managing socialism over tax farming among the seventh republic. The recommendation, for example, to stimulate visits by émigrés, who left an estimated $1,000 per visit confirmed a central insight of the New Institutionalism: the state creates rights and privileges, in this case the freedom of movement, and then proceeds to collect rents. However, the same annual report concluded with the open plea for more staff and a larger budget, a plea that a rent-seeking apparatus ought to have headed. This never happened. The agency received only 80 million dinars of the 122 million-budget request in 1966, but the Federal Executive Council (federal government) had, in a largely symbolic move transformed that agency into a Commission the following June.

Starting in late 1966 and early 1967, various agencies recognized a veritable exodus of proletarians in their prime working years. “Above all, the number of new émigrés – both those who are leaving with the goal of temporary employment abroad as well as those who are emigrating permanently – has exceeded all projections and expectations.” Indeed, in January 1967 the Federal Bureau of Employment described labor market conditions in blunt if inelegant terms that captured a turning point in Yugoslavia’s modernization:

The employment of our workers abroad is a widespread and objectively determined phenomenon. Emigration has become a part of current economic and social developments, which are characteristic of most [developing] countries in the world. For this reason, the phenomenon of emigration is seen as an economic regularity based on the current stage of our development. Emigration is a complex phenomenon, which is strongly influenced by our current state of development, and more specifically by the entrance of our economy into the global division of labor, the right of citizens to the freedom of movement and the freedom to choose their profession, the liberalization of the visa regime, etc.

The formulation gave evidence of the short step between the decoupling of Marxism from Stalinism and the budding of varieties of reform socialism.

The abject example of adapting socialist ideology to the realities of the globalizing world had international and domestic consequences. Internationally, Radio Free Europe noted already in February 1967, “the present manpower exodus has, however, taken on unprecedented proportions,” and that Yugoslavia planned to normalize relations with Bonn in order to insure better protection for its “manpower export.” Diplomatic activity proved a rare lever at the disposal of the federal regime, and it certainly could not replicate West Germany’s Labor Office (Bundesanstalt für Arbeit, now called Bundesagentur für Arbeit). The Labor Office “appropriated the right to decide on matters regarding the import of our workers” in April 1966 when local branches failed to follow federal directives. The bilateral agreements normalized departures of at least those with an “uput” (“referral”) and facilitated financial transactions. Branches of domestic banks attempted to capture émigré savings, so that from 1968 the Belgrade-based Jugobanka worked with West Germany’s Bank für Gemeinwirtschaft to permit savings accounts worth some 50 million DM (1968-1979), Ljubljanska banka opened an office in Munich in March 1968 (and 13 others across Western Europe by 1975). By the mid-1970s, the Sarajevo-based Privredna banka also worked with émigrés; banks from Croatia thus opened branches after those from Serbia and Slovenia but before those from Bosnia and Macedonia.

Domestically, the uncontrolled departure showed the limitation of the federal regime and of self-management as well as how republics adapted socialist ideology to the realities of a globalizing world, as underlined in the very slant of newspaper headlines. Major dailies,
including the largest Belgrade-based ones, *Politika* and *Borba*, published over 100 stories per year, almost all negative about emigration, while only Slovenia’s main daily, *Delo*, “expressed the opposite treatment, that is gave more attention to the positive tendencies among our émigrés.” To translate, émigrés identified with World War II anti-socialist collaboration accounted for the negative press coverage from Belgrade-based outlets, while Slovenia’s official press focused more on economic and other benefits and on return-migration. Indeed, Slovenia’s Socialist Alliance (Socialistična zveza delovnega ljudstva) had a replica Émigré Commission (Komisija za manjšinska in izseljenska vprašanja ter mednarodne zveze), that produced intricate studies of labor demand for migrants in Germany and Austria, the major destination countries, whose quality compared easily with those of major federal agencies.

In contrast to Slovenia, in Macedonia, an underdeveloped republic whose federally-subsidized industrialization drive ought to have absorbed so-called surplus agricultural population, the Government (Izvršno veće) wrote to its Labor Bureaus as early as October 1966 that “the main task of these Bureaus should be to facilitate employment outside of the Republic and abroad.” The statement testified to a major reason for permitting emigration in the first place, namely the steady rise of unemployment, and that crosscutting issues like migration required more, not less, cooperation between the various levels of government. Slovenia and Macedonia represented one end of the spectrum, where local elites worked toward an uncontroversial goal of stemming or streamlining emigration, respectively, yet coetaneous with this another end of the spectrum existed. The coastal hinterland in Croatia, encompassing regions described by Ljubo Leontić in 1954 as the “horrific stage” for internecine slaughter during World War II, belonged to that other end. There the three issues – currency, ethno-geography and inadequate institutions – reinforced each other in a vicious cycle that showed the breadth of challenges public agencies faced absent an alteration of the AVNOJ bargain.

Apart from Split, a center of shipbuilding as well as tourism, several Dalmatian municipalities with dramatic emigration rates clustered in the poorer littoral hinterland – Imotski and Sinj with Croat and Omiš and Drniš with Serb majorities. Imotski’s municipal branch of Croatia’s Socialist Alliance of Working People (SSRNH), which started in 1962, received high praise for its work. Through devolution, the federal and republic-based regimes “augmented” the human capital by the mid-1960s even in the poorest communities, such as Imotski. Municipal elites had enough “voice” to criticize so-called “republic-based centralism” (“republički centralizam”) though clearly not enough to alter party politics. Just as the republic of Croatia had struggled against Belgrade-based centralism, so, too, local communities in Croatia struggled against Zagreb-based centralism. Migration represented a clear “exit” option, to invoke Albert Hirschman’s famous formulation and specifically his insistence on “the elusive mix of exit and voice.” For instance, unlike in Slovenia and Macedonia, local elites from Dalmatia asserted openly in December 1967 that, as the region with the highest foreign currency earning (tourism, shipping, remittances) in Croatia (and, indeed, in Yugoslavia), Dalmatia should “keep” more of the currency it earned and “give” less to other parts of Croatia (and, by implication, Yugoslavia). The message ostensibly represented views of the local business and municipal governments as well as research and labor interests, not just the party, and explained the worry of the security apparatus about increased recruiting activity of émigré organizations among recent arrivals based on “the economic exploitation of Croatia.” Local elites effectively perpetuated the central party’s approach they criticized vociferously but had few levers to change either what Croatia’s, let alone Yugoslavia’s, top cadres ordained.
“Employment abroad has become a ‘civil right’ in our socio-political life”: The High Tide of Liberalism (1968-1971)

While the federal Commission for Émigré Issues (Komisija) dealt with “softer” aspects of migration – sending journals and movies to émigré communities comprised almost half of its budget for fiscal year 1968 --economic or labor migration required policies that are more complex.475 From the 1950s, when the federal regime knowingly passed up many relatively low-cost and high-benefit options on emigration such as establishing a central office, little had changed institutionally through the 1960s notwithstanding a modest staff increases in consulates and in the consultative body within the Federal Executive and the formation of a parallel body within the Socialist Alliance of Workers.476 The party followed suit with its own committee only after the 1971 census revealed the scale of emigration. Yet, on the level of republics, significant leadership changes took place, above all the rise of the liberal coalition. Especially in Croatia, liberals like Prime Minister Dragutin Haramija placed migration on top of the.

Arguably, the federal regime began to blur the distinction between temporary and permanent migration once the main organization of unions, the Alliance of Socialist Syndicates (SSJ), a vocal, and lone, supporter of workers’ rights, revised its negative qualification of temporary economic migrants. The SSJ noted in 1968 that while initially economic emigration “inspired in us confusion, various political reactions, including condemnations – we undertook certain political and administrative measures to condemn this process – and workers who went abroad to work had frequently been characterized as political enemies.”477 Despite the federal regime’s inattentiveness, the largely positive attitudes about the common state presented by the main émigré organizations in North America changed little since the early post-Stalinist period.478 The main émigré organization, the Croatian Fraternal Organization, Slovene Assistance Units, and even many members of the Serb National Alliance, had a generally positive attitude toward Yugoslavia. “The platform of brotherhood and unity, that is the cooperation between the Croats, Serbs, Slovenes, Macedonians, Montenegrins and other émigrés has broad support.” 479

While hard-liners Soviets “normalized” Czechoslovakia from top to bottom after the Prague Spring, the Yugoslav republics grappled with distinct challenges while the federal regime encountered a predictable if unintentional consequence of liberalizing, namely that people believed that travel and work abroad constituted a – “civil right.” A brisk statement by the Socialist Alliance of Working People of Yugoslavia (SSRNJ, a so-called mass organization), encapsulated the sentiment. “Since seeking employment abroad has become a ‘civil right’ in our socio-political life, we should specify with greater clarity the dimensions of migratory movements abroad, utilize mechanisms and instruments of economic and legal-social protection [of emigrants], and decide which levels of government, from the commune to the federation, are responsible for which of these activities.” 480

The work of the Committee for Foreign Political Affairs in Serbia’s Skupština (Parliament) captured this brave new world. The Committee President, Žika Radojević, noted in 1969 that “[w]e were tardy and indecisive in devising a clear policy ... we have opted to be an open country, to support the freedom of movement of people and the free exchange of goods and capital” and yet have failed “to sufficiently develop inter-republic cooperation.”481 The freedoms replicate those that defined, and continue to define, the European experiment. If the so-called four freedoms that the European Community strove to implement since the 1957 Rome Treaties (free movement of labor, capital, goods and ideas) really informed policy in Yugoslavia, as

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Radojević outlined, then why indecision about economic migration, and why coordination difficulties? Although the federal regime cared about outsourcing relatively low skilled labor, its prior commitment to decentralization (AVNOJ bargain) complicated inter-republic cooperation. Consequently, by the late 1960s each republic faced its own challenges and devised its own response to popular expectations concerning what the federal regime dubbed with calumny as “human rights.”

The disconnect between republic-level strategies and rising expectations epitomized the conditions in Croatia, where an internal report from the Sabor (Parliament) connected “manpower exports” to the liberal reforms and identified Croatia as the center of those exports. “A marked increase in [labor migration] occurs only after the enactment of economic and social reforms,” the report surmised, “so that in 1965 and 1966 this phenomenon spreads across the entire republic and gradually spreads to the whole country.” The Working Group for International Relations in Croatia’s Sabor identified the problem of inadequate institutions, including the rearing of children whose parents both work abroad during a May 1970 session. Unlike Croatia, Slovenia faced fewer existential issues and its institutions appeared comparatively adept. For instance, although its political emigration raised comparatively little anxiety as a potent anti-regime force, Slovenia’s State Secretariat for Internal Affairs produced a ten-page bi-monthly specialized bulletin that meticulously followed the Slovene émigré press, the meetings of émigré intellectuals and even the passing of prominent émigrés.

The October 1970 headline in Slovenia’s main daily, Delo (Labor), encapsulates the paradox emigration posed to most republics in Yugoslavia, “The End of the Selling of Laborers?” The article squarely addressed the weakest aspect of the party’s approach: how could a regime committed to workers’ fact export labor to exploiters in the West, the historical class from whom class struggle purportedly forever freed the proletariat. Indeed, the Foreign Secretariat estimated several hundred private firms acted as intermediaries, apart from large public enterprises that “subcontracted” Yugoslav workers to Western counterparts to such an extent that by July 1970 Tito received reports that German firms stated that they “cannot understand that socialist firms sell workers.” A pragmatic approach reached a pinnacle with foreign firms shocked at the laissez-faire actions of socialist counterparts.

“Time works against us”: Party Elites in the Post-Reform 1970s

Along with the release of the initial 1971 Census results, the party finally formed its own specialized committee in April 1971. Since the same cadre from Bosnia chaired the party’s committee, Ivo Jerkić, who chaired the Committee on Emigration within the Federal Executive, a comparison between the two seems fair. Conversations within the party had a sharper tone than those in the government, an observation in line with the commonplace that the party influenced the state apparatus far more than the other way around. Party elites recognized emigration rather more openly as a “double edged sword.” Emigration failed to arrest ever-rising unemployment although it had decreased it and emigration contributed to inflation (expanding the money supply via remittances) although it increased living standards. By 1973, Slovenia’s France Presetnik noted that with over a million post-war émigrés, “time works against us,” an ominous statement. On the macro level, the accretion of “socialist stagflation” appropriately followed from a party-state where, as the next chair Committee on Emigration, Niko Mihajlović, captured pithily the role of the main intermediary institution, the Socialist Alliance (SSRNJ), as
“public and anonymous” (“javna i anonimna”), recalling Walter Ulbricht’s famous slogan “we must overtake without catching up.”

A cadre from Slovenia captured how triage or rationalization followed from the non-ideological thrust of the Leontić-Šentjurc framing. “These 60-80,000 Slovenes are mostly not industrial workers, but people from regions where there’s no more prospect of return than there is to any of the other classic regions of emigration in Yugoslavia. I’m referring to Pomurje, Prekmurje, where there’s flooding right now.” Yet, for the increasingly assertive and independent movement outside the party’s control, the Croatian Spring, economic migration was a major grievance. Dražen Budiša, the most prominent, and subsequently imprisoned, student leader in the Croatian Spring, thundered the day after the purges of liberals began in Karadjordjevo (Chapter 1), “We have been accused of having overseas connections. Let me confirm: [our] only connection with foreign powers is moral solidarity with 600 thousand Croats who are living abroad /strong applause/. It is not true that workers are not standing with students.”

Crisis conditions occasion unscripted candor, such as that suffusing Dražen Budiša’s oration. An April meeting in the Federal Secretariat of Information succinctly and with some symbolism demonstrated that while elites from Slovenia focused on stemming a nascent brain drain, those from Croatia worried about “political emigration” while their counterparts from Serbia pretended that neither concern existed. “Given that the republics are primarily responsible for information and propaganda activities, and that the federation is left with [prepušteno] only coordination, in the future information-propaganda activities will need to be strengthened and adapted to the specific interest of the Republic of Slovenia.” The goals, none involving the common state and all Slovenia-centered, aimed to “reduce the brain drain [odliv] in Slovenia, to affect the organized departure of economic migrants through legal channels, as well as to ensure though informational activities as close a connection of economic migrants with the homeland.”

Croatia’s statements contrasted strongly with Slovenia’s not least because it called for “suppression of negative influences” to which émigrés are exposed, a code for political émigrés and their foreign backers. The protection of labor rights, and “decrease the departure of workers, especially those with qualifications needed in the country” came after the security issues. To ensure this, the Secretariat for Information of the Executive Council of the Sabor (Parliament) took over all tasks relating to propaganda. Republic-based elites apparently changed the institutional structure with greater alacrity than their federal counterparts had while concerns about return migration and about safeguarding returns to investments republics made in education (human capital) also underlined the breadth of devolution. Slovenia and Croatia worried about “their” skilled cadres emigrating, after benefiting from education funded by the republic.

While Slovenia’s officials formulated a clear strategy and Croatia’s officials at least outlined some goals, counterparts from Serbia merely acknowledged the outflow. Indeed, they even characterized pedestrian tasks such as organizing cultural events (ensemble music and dancing) as an “accomplishment” while the Parliament “in an organized and systematic manner considered many questions related to the temporary employment abroad and proceeded to formulate appropriate conclusions and measures” (“donošenjem odgovarajućih zaključaka i mera”) crowned the annual report from Serbia. Would one expect the Parliament to approach any policy issue in an unorganized and unsystematic manner?
A tragic event demonstrated how the security apparatus benefitted politically from the absence of a centralized civilian agency, amply demonstrated by disunity in the propaganda sector. During the night between 22 and 23 June 1972, in the hinterland of Bosnia, near Mount Raduša (Prozor municipality), close to the largest Partisan battle, around nearby Neretva River, the “Croatian Revolutionary Brotherhood” fought with the army and police after a chase that lasted for several weeks. According to official reports, the Revolutionary Brotherhood killed 13 members of the army and police in the fighting, while government forces killed nine of its estimated 19 members.495

Indeed, the increase in return migration, especially from West Germany, represented a warning sign of a global economic slowdown that elites acknowledged. An act of political extremism might have prompted a change in relations between the federal regime and the seventh republic, as some members of the émigré community still called themselves.496 In early July, right after the attack, Marko Nikezić’s successor at the Federal Secretariat (Ministry) for International Affairs, the leading liberal from Vojvodina, Mirko Tepavac, presented Tito as thorough a revision as possible without tinkering with the AVNOJ bargain. The recommendations made by Mirko Tepavac represented at best a softening of the extractive approach that prevailed in the preceding twenty years. In telling order, he urged the hiring of more consular staff, opening additional informational centers across Western Europe, funding émigré social clubs and, amazingly, lastly, hiring teachers to enable language instruction of all children. Ye these proposals, many implemented, had not created an alternative to the current system based on the AVNOJ bargain (many checks on federal civilian agencies, leading to a misbalance favoring the security apparatus).

Like Ljubo Leontić’s proposals, Tepavac’s approximates the size of the window of opportunity for policy change, as much as the state of knowledge, the values and priorities. Some 800,000 working age émigrés demanded the “creation of adequate organization in the country and abroad,” yet stasis largely prevailed, a point discussed further in the Conclusion.497 While the Foreign Affairs Secretariat asked for 138 more consular staff in 1971, and all republics and provinces agreed, nothing happened. Italy and Spain, two modernizing Southern European NATO-members, have one consular worker per every 1,500-1,800 émigré workers, while Yugoslavia has one for every 4,000 workers. Only about 3,000 of an estimated 40,000 school-aged children received any language instruction, and Tepavac correctly predicted that continued non-engagement with migrant workers would have “deteriorous political consequences” as émigrés come under the influence of other political ideologies, code for ecclesiastic forces and enemy émigrés.

Lack of funds hardly explained the current policy or rather lack of a policy, since consular taxes and fees paid by émigrés brought in some 39 million dinars ($2.3million, official exchange rate) annually while the entire budget for working with émigrés equaled about 5 million (about $294,000). The Foreign Relations Secretariat estimated, without much of a budgetary justification, that 50 million dinars represented a sufficient budget – even if not entirely covered by annual consular fees, this dwarfed the estimated $650 million sent to Yugoslavia in remittance in 1972 alone.

While stasis prevailed in the federation, dynamism characterized the research institutions created by republics. A long article in the spring 1973 issue of the journal Sociologija (Sociology), the flagship publication of the recently reconstituted Belgrade University’s Department of Sociology (1959), now seems the most influential since Tito evidently read it, but at least a half dozen high quality scholarly analysis appeared between the late 1960s and early
The trends identified sound familiar. “The main negative characteristics of migration of Yugoslav workers abroad are, on the one hand, the unfavorable [educational] structure of the returnees and their modest role in the economic life of the country, and on the other hand, the slow return and employment of a large number of highly qualified workers employed abroad who are needed in Yugoslavia.” A minority of the returnees gained skills, even those working in Germany’s and Austria’s apprentice-based labor markets, but at least they had not contributed to the ballooning unemployment rate, since returnees disproportionately moved into the tertiary sector.

That professionals rather than party mandarins produced studies counted as a notable improvement, yet their findings depressingly depicted the negative developments Ljubo Leontić and Lidija Šentjurc warned against in the mid-1950s. At the start of the post-war labor migration wave in the mid-1950s, practically no official control existed – the Federal Employment Bureau (Savezni zavod za poslove zapošljavanja) started to organize contracts for temporary employment with foreign firms and governments only in 1964. Many labor migrants returned in less than five years – over 40% of those who left for West Germany between 1968 and 1973 returned – and thus helped increase inequality within their old communities, whether urban or, far more common, rural. The disruption to family life, and, especially children with both parents abroad counted as another negative consequence – for the hardliners, as the chapter on liberalism will show (Chapter 5), the reforms not only eroded the party’s role in the economy, they eroded the socialist family as well.

Migration disproportionately took place from Croatia, Bosnia and Macedonia, with the vague but clear addendum that “huge differences exist in the number of worker-migrants from certain regions within certain republics.” The obtuse reference to the “ethnic dimension” of labor migration lacked the bluntness of analysis done by Ljubo Leontić and Lidija Šentjurc, but confirmed their predictions. Aside from the demand to intensify class struggle, the Sociologija article and others could easily have appeared as some Western moderate, technocratic publication, for example Migration Review published by the Intergovernmental Committee for European Migration, which underlined the comparatively non-ideological approach to labor migration.

**Conclusion**

Recently available debates among elites bring to light the tension between permitting labor mobility (unlike Soviet regimes) but resisting capital mobility (unlike “Asian tigers”), and in turn outline more clearly the position of elites toward these two major factors of production that successive economic reforms attempted to restructure. In the comparatively positive international environment of the 1960s, the outcome of economic reforms depended on elite agreement about how to reshape the two basic factors of production, labor and capital. Yet, such an agreement required tinkering with the bargain Partisan elites struck during World War II. Self-rule within their spheres of influence (the future constituent republics) would be as extensive as possible conditional on minimizing security threats, external and internal, to the common state.

At the start of the Golden Age of economic growth in the late 1940s, functionaries devoted too little attention to separating the virtuous, economic émigrés from the pernicious or political émigrés. As a result, the émigré community collectively bore the stigma of being anti-socialist and anti-Yugoslav (though, to reiterate the irony, the regime tergiversated on its definition of Yugoslavs). By the mid-1960s, a reintegration of labor migrants into the body
politic was taking place. Pragmatic economic considerations (hard currency) superseded ideological ones (fealty to revolutionary socialism) when the regime enacted an amnesty law (1961). Right before the 1973 Oil Crisis, the conventional outer date of the post-war Golden Age of economic growth, émigrés could invest their foreign currency savings into socialist enterprises in return for employment for themselves or their family-members, a point discussed further in the conclusion.

Western political-economics, which of course includes Marxism, informed the thinking of elites. Despite occasional attempts to link labor mobility to of Marxist-Leninist theory, a form the “push-pull” theory held sway. By contrast, a more obviously Leninist approach to capital prevailed, a clear indication of about the ideological limits of economic openness. The archival records suggest that economic factors (demand for foreign currency) drove the formation of ideology (“integration into the global division of labor”) more than the other way around. In other words, while socialist ideology played only a minor role in debates about migration, ideology played a far bigger role in debates about capital, as the purge 1972 of the liberal Premier of Slovenia, Stane Kavčič, would make clear.

The 1973 Oil Crisis underlined the need for more creative initiatives and how improbable these were even as the principle guarantor of the AVNOJ bargain, Tito, began his terminal decline. The increased font of memos and margin sizes help confirm the outer date for Tito’s direct engagement in day-to-day politics. Through the 1970s, increasingly few documents bear Tito’s initials, and almost none after 1976 – almost four years before his death, when the country lived, not unlike its creator, mostly on life-support. By that time, remittances accounted for about a fourth of hard currency that flowed into Yugoslavia. Instead of the Atlantic world, the main source of origin of currency between the 1940 and 1960s, almost a half of the hard currency from the 1970s onward originated from Germany and Austria. Officials followed these trends anticipating correctly a steeper decline in remittance as a result of the Oil Crisis and a quicker return of those laid off in the West.

After 1974, when Edvard Kardelj and Tito constitutionally inaugurated a tenancy in common (Chapter 2), although the font of briefs written nearly doubled, a visceral sign of aging, Tito’s blessing still counted as the first best option. His signature on a 2 July 1976 address to Croatia’s Executive Council closed a trajectory of émigré policy. He requested that the Council pass his letter of support for the tenth annual youth gathering of the Pittsburgh-based Croatian Fraternal Union (Hrvatske bratske zajednice), the largest émigré organization and among the oldest (1894). “You partake in the noble mission of spreading brotherhood and unity amongst our people living abroad and create a broad bridge for cultural cooperation between the Socialist Federalist Republic of Yugoslavia and the United States of America, your new homeland.” The children and grandchildren of those the Titoist regime defined as “progressives,” like Louise Adamic, economic migrants who contributed to post-war reconstruction, as well as “quislings” failed to congeal into a seventh republic but instead became – American.

Just as Albert Hirschman published his 1970 classic, Exit, Voice, and Loyalty, reformist elites broadly articulated their challenge as finding a sustainable balance between the three (and, indeed, anticipated the framework’s application to Eastern Europe of 1989). Labor migration symbolized a missed opportunity to benefit from Yugoslavia’s unique position as a wedge that other Eastern European countries sorely lacked. Migrants might have made a “seventh republic,” one able to transfer not just funds but invaluable skills and knowledge to Yugoslavia. The regime in effect blocked its emergence and thus perpetuated pre-socialist ethnic identities. As analyses like those by Mirko Tepavac implied, in the longer term the approach had “deleterious political
consequences” not least an absence of “loyalty” to the common state once it permitted “exit” to become practically the only “voice” left to citizens. Just as the federal regime struggled against Soviet domination in the early 1950s, the six constituent republics struggled against Belgrade-based centralism as part of mid-1950s destalinization and, by the reforming 1960s, municipal elites had enough voice to criticize openly so-called “republic-based centralism” (“republički centralizam”). Furthermore, just as the common state existed the Soviet sphere, it permitted its citizens more options for exit, including freer movement internally and easier economic emigration that other Eastern European states. Yet the unsettled question of loyalties beyond those to the party helped make exit even more delegitimizing, as Dragutin Haramija intimated in Serbia’s Parliament in 1970, and so complicated further, in Hirschman’s famous formulation, “elusive mix of exit and voice.”

This was not preordained. The Atlantic mirror like the artic ones Yuri Slezkine describes reflected the absence of a stable inter-elite agreement on the contours of a common identity. Ambiguity about “who were the Yugoslavs” who stayed at home meant that even though an influential cohort of émigrés (opinion makers) expressed Yugoslavist feelings the regime never moved beyond “primordialism” to “constructivism” in its thinking about émigrés, about the seventh republic and, as Chapter 2 showed, the six constituent ones. Thus, beyond its immediate importance as a critical and under examined factor that contributed to purge of the liberals, emigration issues function as a surprisingly useful “point of entry” into the “logic” of Yugoslav socialism. Whereas in the 1990s prominent émigrés had a role in the disintegration process by supporting nationalist forces, after World War II prominent émigrés had a role in propping the impoverished and war-ravaged county.

Whereas in the late 1980s and early 1990s émigrés supported nationalist leaders in the two largest republics, Serbia and Croatia, in the 1950s and 1960s the largest émigré communities, Croats and Slovenes residing mostly in North and South America, overwhelmingly supported a Yugoslavia and even a social-democratic if not a socialist one. While émigrés might never have become members of a dedicated oversees department or dominion, the extractive approach the regime pursued in absence of a more complex one obviously strengthened anti-Yugoslav forces.

Simply put, the ideological formulation of temporarily working abroad kept the door open for inhabitants of the seventh republic to participate in the Yugoslav experiment. Yet the regime’s interest in maximizing remittance flows coupled with the absence of articulating any common identity beyond pre-socialist ethnic identities reduced the ways in which émigrés could participate in the common state, and not just send money to family or build houses. Much as the case of inter-war émigrés, they returned to their Heimat (“stari kraj”) that happened to belong to the common state, as opposed to the other way around. Not surprisingly, after Tito’s death in May 1980, in a symbolic sense the seventh republic became the first to loosen ties to Yugoslav state. In 1983, Slovenia pulled out from, and others did not prevent Slovenia from pulling out, a common textbook for émigré children, My Homeland, the Socialist Federal Republic of Yugoslavia, History and Geography. The next chapter examines how purges of liberals in the early 1970s changed that homeland.
Chapter 6: “This is our small cultural revolution”: Self-Managed Purging of Nationalists, Factionalists and “Techno-Managers” and Economic Stabilization†

Scholars of and, more unusually, from the former Yugoslavia broadly agree about the scope and scale of purges, as well as their immediate consequences. Hardliners punished party elites in government, business, and media with dismissals from their posts and expulsions from the party, while hardliners used draconian measures, such as jail sentences and persecution, against students and intellectuals who had the audacity to usurp existing “intermediary institutions” or even planned to create non-party institutions. John Lampe, a rigorous “guestimator” of contested figures, notes that “just over 1,000” party members resigned or were expelled in Croatia and Serbia from when to when, as longer analysis by Dennison Rusinow and Steven Burg argued a generation ago. In the successor states, several multi-author volumes express an apparent agreement about the contentious topic of victims, as the overview in the second part of the chapter shows. Despite the absence of a controversy on a traumatic ending of reformism and its immediate consequences, scholars have not systematically considered the medium- and longer-term consequences of the purges, a point addressed further in the Conclusion. In other words, how much of a “cultural revolution” transpired? 511

A brief chronology of the purges suggests the aptness if not the accuracy, of the analogy to China’s contemporaneous Cultural Revolution. The purges began in Karadjordjevo in late 1971, and their spread to enterprise party cells across Croatia by early 1972 constituted the first peak of purging. While high-profile investigations and trials took place in urban centers, marathon meeting of municipal party cells complemented these visible events during the first half of 1972. Tito and Stane Dolanc sent an unprecedented letter to the entire League of Communists in September, which signaled the spread of purges from Croatia to other republics. By the fall of 1972, first Serbia’s and then Slovenia’s elites purged reformers, starting with Belgrade’s and Ljubljana’s political elites and then media and industry supporters. This was a second peak. While Slovenia seemed to have completed most of purging by the end of 1972, the sheer size and administrative complexity of Serbia’s party partially explains why purging continued into 1973. With a culling of ranks continuing in Croatia and Serbia, Macedonia’s reformers resigned quickly in early 1973 while Vojvodina’s reformers, after surviving an initial onslaught in the summer, resigned in the fall of 1973. The purges reached reformers in central Serbia only in early 1974. Together, these comprised the third consecutive winter where purging peaked. Expulsions continued through 1974, and the Tenth Congress of the League of Communists of Yugoslavia in May marked a trough, but not the end of purging.

Beyond identifying apparent peaks and lulls in purging, it is difficult to look closely at fluctuations in party size since internal party censuses of Yugoslavia’s League of Communists fail to account for why nearly half of the party members’ left (about 250,000 of 600,000) during the 1970s. Despite the considerable limitations of records, limitations exemplified by this subgroup of 250,000 that local scholar in the mid-1980s identified as the “unregistered,” even a

† The quote comes from Edvard Kardelj during a contemporaneous conversation with Dušan Bilandžić (Hrvatska Moderna Povijest. Zagreb: Golden marketing, 1999: 664, fn63.) Grants form the Kujacich Fund and SMART helped fund the research presented in this chapter. A special note of thanks to Jon Stiles of UC Data and an exceptional undergraduate research assistant, Agnieszka Smelkowska.
rudimentary reconstruction of fluctuations in party membership suggests that even in quantitative terms, significant differences between the entities (republics and provinces) seem to characterize the purges. Hardliners removed from the party between five and six thousand in Croatia and Serbia. Yet, perhaps the most startling revelation, some 4% of Slovenia’s already small party appeared to have voluntarily left.

Apart from beyond what Susanna Barrows decried with characteristic panache in her graduate seminar on modern Europe as a “historian’s bean-counting exercise,” the apparent “quantitative” differences outlined in the second section invite speculation about the “qualitative” differences and similarities in purging, the effects of purging on the three republics and on their roles within the federation. This has broader significance since the numbers affected appeared modest compared to Czechoslovakia after 1968 (40% of the Central Committee, perhaps a third of the membership). The purges destroyed nascent networking, to use a neologism, a web of relationships between reformers from across Yugoslavia. For instance, Dr. Slavko Milosavljevski, the purged Secretary of Macedonia’s Central Committee, recalled informal hallway conversations during breaks in the Presidency Session of Yugoslavia’s League of Communists, when other liberals spoke candidly, “aim[ing] of building an alliance (not a conspiracy, to be sure) for forthcoming political struggles.” However modest the social capital created by the unprecedented exchanges of views (grievances but also support), hardliners clearly perceived the communication as a sufficient threat to qualify it as “groupism.” In the Leninist lexicon the charges of “groupism,” a milder form of “factionalism” that the Tenth Congress of the Bolshevik Party (1921) banned after the Krondstadt Revolt, remained among the gravest threats to party unity.

Since purges had been more extensive in the two larger republics, greater elite discontinuity characterized Croatia, the republic most affected in absolute numbers, and Serbia, the republic most affected in relative terms, than had been the case with Slovenia, where only three members of Stane Kavčič’s cabinet lost their jobs. A nationally oriented counter-elite emerged in Croatia after the purges, while the purges removed a multi-national “counter-elite” in Serbia; elite accommodation characterized Slovenia. The security apparatus feared liberals and their “groupism” long after the purges. The security apparatus played a more pronounced role in Croatia and Serbia than in Slovenia and, likely, Macedonia but the purges remained confined to elites and sanctions to dismissals and jail terms. Yet, the still unknown role of this apparatus makes it difficult to outline how much security concerns accounted for the depth of the purges and thus for discontinuity among elites in Croatia and Serbia that seems greater than the discontinuity among elites in Slovenia and Macedonia.

The medium- and longer-term consequences of purging reformers include the rise of a “new new class.” Tito effectively called for a “reproleterization” of the party in September 1972, and it doubled in size by his death in 1980 to about two million. Throughout the 1970s, however, Tito understandably received far more attention in contemporary media and subsequent scholarship than did his destruction of the web of relationships between reformers and, thus of the so-called social capital imbedded within those relationships. In the Western press, much as in recently declassified intelligence estimates, condemnation of Tito and his decision to purge his party now seem conspicuous by their absence. “Yugoslavia,” wrote the left-leaning London Times “may yet survive to be grateful that this crisis occurred while Marshall Tito was still alive.”
Dynamics of the Purges: The Impossibility of Self-Managed Self-Criticism?

The medium- and long-term consequences of the purges remain far less systematically researched, including how purges fit into the experience in Czechoslovakia (“normalization”) and Greece (“colonels’ junta”) and their place in explaining Yugoslavia’s violent disintegration. While the Conclusion analyzes these themes, this section focuses on the dynamics of purging, a progress that ought to have epitomized similarity, if not uniformity within Bolshevik-influenced political culture.

The short-term effects highlight the qualities that distinguished the purges from the Stalinist approach in their rate of spread across society, their definition of enemies and coercive measures taken to arrest the spread of counter-revolutionary activities. The Stalinist precedent and counter-example showed how -- self-managed the purges were in Yugoslavia and how much political decentralization that characterized the 1960s in Yugoslavia contributed to making local, entity-level dynamics relevant to purging practices— a purge, centrally-orchestrated and brutally coercive commented in 1948, whereas purges, locally-implemented and strategically coercive commented in 1971. Indeed, by the 1970s, self-criticism, an irreducible distinguishing feature of Leninism, had lost some of its disciplinary power, and, to invoke Kenneth Jowitt, neotraditional political practices re-emerged once the “combat ethos” subsided and cadres transformed from “deployable agents” to “undeployable principles.”

The limited spread beyond elites qualified the purges as targeted and self-contained, in large part since the regime defined its enemies in relatively reasonable or at least not as phantasmagoric terms as those established by Stalinist precedent. Indeed, the CIA’s Central Intelligence Bulletin (10 May 1972) described the decision of hardliners in Croatia not to connect liberals with radical émigrés, despite Tito’s hints about such relations, as an “important conciliatory gesture” that narrowed the scope of purging. Imaginary crimes and opponents, such as those leveled in 1951 against Czechoslovakia’s Rudolf Slansky and 13 co-conspirators as “Trotskyist-Zionist-Titoist-bourgeois-nationalist traitors, spies and saboteurs,” made a limited appearance during the Cominform crisis in Yugoslavia and thus had not featured in the coercive repertoire of the 1970s.

Another difference with the 1950s concerned the start of purging. Except for the purge of Poland’s Władysław Gomułka at the very end of Stalin’s reign, the usual approach devised by Lavrentiy Beria was to “begin at the second or third ranks of party leaders and then expand the terror into both higher and lower echelons, thus engulfing wider and wider circles of officials.” Consequently, in Soviet satellites, communists and their supporters arrested at a minimum tens of thousands in each satellite (e.g., 750,000 in Hungary) and sentenced to death at least several thousand (e.g., 3,100 executions in Poland), while the party membership decreased by at least a quarter (e.g., Bulgaria’s party declined from 500,000 to 300,000 members between 1948 and 1951). To stress, communists in Slovenia, arguably heirs to a less authoritarian political culture than their counterparts from Montenegro or central Serbia, purged perceived enemies no less brutally than their counterparts in fraternal socialist regimes (for example, the Dachau trails).

The hard-liners, thus, had the capacity, and in fact crushed what they perceived to be autonomous institutions (Beehives across Croatia). Yet, unlike in the 1950s, this took place without mass arrests. While elites suffered as victims in rough proportion to their frequency in the body politic during the 1950s, liberal elites easily made up over a quarter of the purged in the 1970s. During the 1970s, sanctions included limited coercive measures (prison time, dismissals,
and harassment) but stopped well short of limitless coercion (executions, confessions, exile and family imprisonment), or even the brutal imposition of order by the federal security apparatus during the 1981 demonstrations across Kosovo.

While the immediate, short-term results included the removal of a nascent reformist network, the differences suggest both the extent of decentralization and underline the consequent fragility of the reforms’ grand bargain, a point discussed further in the Conclusion. The institutional structure decentralized enough to allow the persistence of pre-socialist, perhaps even pre-Yugoslav conditions. Slovenia continued with what may be called accomodational (but not solidaristic) socialism, largely rooted in comparatively more favorable pre-socialist conditions (including mass literacy, nuclear families, industriousness), and a correspondingly smaller role of the party in the economy and society. Different, and less favorable, trajectories in Croatia and Serbia reappeared: simulated compliance with a largely imposed and exploitive regime and resurgent clientalism, respectively. In Serbia, clientalism replaced a brief period of elite making focused on merit, and not just familiar party loyalty, over patronage networks, a process far less visible in Slovenia, and with Croatia falling in between.

Croatia’s “Spring-timers” Face Critics and Supporters

Tito announced in Karadjordjevo the need for a kind of “vote of confidence” of liberals in other republics, and this raised the specter of a broader purge. In retrospect, the period between the Karadjordjevo Presidency Session in December 1971 and Tito-Dolanc’s September 1972 open letter to the entire League of Communists demarcated an interregnum period, one marked not just by political trails in Zagreb, seared in popular memory, but also the virtually forgotten armed attack by émigrés during the summer of 1972. The interregnum period provides one of Robert Darnton’s propitious “points of entry.”

For elites in politics and business, the purges featured mostly the “play-book” that liberal reformers had used to purge Miloš Žanko. When Žanko, Vice President of the Federal Parliament, wrote critical articles in Borba about the rise of nationalism in Croatia, Savka Dabčević-Kučar led the attack for his dismissal, especially during the Tenth Plenum of Croatia’s Central Committee (15-17 January 1970). Derisively characterized as a unitarist, in her diaries she recounts that Tito gave the green-light on 19 December 1969 for the attack, the media in Croatia responded forcefully with critiques of Žanko and local party cells began demanding Žanko’s dismissal (Šibenik Municipal Committee on 24 January, 6 February Zagreb-Istok and so on.) Importantly for the broader thesis about networking among elites, in the 10 March 1970 conversations between elites from Croatia and Serbia in Belgrade, as soon as Jakov Blažević asserted that Žanko received support from a “fractionalist group” (Blažević’s word choice) from Belgrade, Savka Dabčević-Kučar interceded with a “not from you.” Blažević, then the President of the Sabor, continued, “No, I did not have Serbia’s Central Committee in mind.” The liberals thought of themselves as one, even the dominant current. They had done so while firmly embedded in a political culture that they shared largely with hard-liners – the use of media attacks, party cell demands, even the word choice, factions.

For those later purged from the cultural sphere and for students, however, the party had not provided a kind of first level of sanctions familiar from cases like that of Miloš Žanko, who resigned but avoided criminal prosecution and even expulsion from the party. For those outside the party, the criminal justice system took the place of the party’s sternest disciplinary hearing. The regime’s perception of threat, particularly with regard to the student demonstrations in
Zagreb during November 1971, showed its fear of non-party initiatives and attendant networking, as the discussion in Karadjordjevo amply demonstrated.

Indeed, unacceptable intra-party networking marked the 21st Presidency meeting. The meeting, available in print since the mid-1990s, serves as an instance where broad availability fails to lead to a substantial change in historiography, namely accommodation, if not solidarity, between reformers from different entities who together rejected criticism hard-liners leveled against Croatia’s reformers. Specifically, despite the otherwise palpable bitterness at the Presidency Session that “nailed us [reformers] to the cross,” Savka Dabčević-Kučar acknowledged that two of her colleagues from Serbia, Marko Nikezić and Latinka Perović, respectfully declined to participate in the spectacle. Slovenia’s Stane Kavčič likewise noted Nikezić’s “reasonable and dignified” approach that helped stabilize Yugoslavia after Karadjordjevo, all the more important since Tito thundered about “taking measures to prevent civil war.”

During the 23rd Session of the Central Committee (12-13 December 1971), most of Croatia’s party leadership resigned, including Savka Dabčević-Kučar, Pero Pirker, Marko Koprtla and General Janko Bobetko. Mika Tripalo, however, sent a letter of resignation to Tito personally. The purges immediately spread both horizontally to other elites in institutions dependent on the League of Communists (government, enterprises) and vertically to city and enterprise committees, as well as so-called independent organizations like the Matica Hrvatska. Reformers accepted the criticism regarding their “insufficiently efficient” struggle against nationalism and the “mass movement,” but rejected unequivocally their connection with nationalist policies or with fomenting factionalism within the party, let alone hostile émigrés.

The CIA noted at the time the “four leaders’ refusal to deliver suitable self-criticism,” yet second- and third-level officials lacked that luxury. In the city of Sisak, where Vladimir Bakarić, the most powerful veto-player from Croatia, condemned the alleged practice of “enumeration” in the oil-refinery and steel-works in June 1971 (Chapter 2), the Secretary of the Municipal Committee, Zlatko Konstanjšek, and his deputy, Milan Vukelić, submitted their resignations on 17 December, after a marathon meeting. The rare study of local level politics, like that in the city of Niš, Serbia (discussed below), points to the politicking that used the directives from the Central Committee to “differentiate” communists based on their ideological commitment to the course Tito outlined as a way to engage in simple account settling with opponents.

Josip Vrhovec stated unequivocally during the first Karadjordjevo meeting, “The Matica spawned [‘izrodio’] the Croatian people, and not the other way around.” This pithy phrase – elites corrupted a venerable institution, then that institution corrupted the unenlightened mass – captured well the spirit of the “Action Program” promulgated by Zagreb’s City Committee (27 December). All party cells had an unenviable task to root out – “networking”:

The discussions must answer why the League of Communists is in a particular crisis of ideas and action: form where had the ideational confusion emerged and why to such an extent, with strong petit bourgeois pressures and serious instances of rotten liberalism; how was it possible that even in the League nationalist viewpoints and positions infiltrated themselves; what enables the emergence of leaderism; whence the peculiar crisis of confidence in the leadership of the League, and why such mixed up and unsustainable inter-party relations; serious instances of groupism, which included elements of fractionalism; why have such conditions emerged and who is responsible.
As the City Committees in Belgrade and Ljubljana would do in less than a year, Zagreb’s City Committee broadly publicized its self-criticism. Srećko Bijelić, President of the City Committee and perhaps the most prominent Serb among reformers, admitted to “lack of vigilance, liberalism, insufficiently concrete actions in the struggle against nationalism, chauvinism and Croatian separatism, class enemies and other anticomunist and counter-revolutionary phenomena.” With practically identical verbiage, Boža Babić, the President of the City Committee of the Student’s Union, resigned as had Srećko Frajndlíh, who expressed eagerness to contribute to the struggle against chauvinism, nationalism and counter-revolution.

All party cells engaged in self-reflection and their reporting lasted through 1972, from hospital cells to enterprises like “Agrokombinat” and “TOZ” and municipal cells. A memo from “Grafika,” a printing conglomerate, assured Croatia’s Central Committee that nationalism had not emerged in the firm. Rather, the factory committee will continue, “to struggle against the influence of technocracy and menagerialism, and relations in the [workers’] collective based on clerkish obedience” (“činovnički poslušnog odnosa u kolektivu”). A producer of fire extinguisher, “Pastor,” went a step further. The League of Communists cell in the enterprise “concluded with satisfaction that in the [workers’] collective no nationalist or chauvinist incidents took place, or enumeration, which we consider the result of proper political action of communists in the enterprise.”

Gračac, a municipality in the coastal hinterland with a local ethnic Serb majority (some 75% of almost 15,000 inhabitants) and high economic emigration, submitted a long report detailing the joint struggle against nationalism and chauvinism illustrated by an attempted arrest of a vacationing émigré. While neither “Prosvjeta” nor “Matica Hrvatske” opened offices in Gračac, the party cell still had certain lapses. “As a region of pronounced political emigration (Četnik and Ustaša) and economic migration and emigration,” the lapses were evident in “nationalist and chauvinist singing.” The Secretary of a local cell, Mićo Pavičević, noted an episode that qualified as grave as it now appears absurdist. In July, the friends gained the release from jail of an apparently inebriated émigré, a certain Frane Krpan, after his arrest for singing. More significant than this case of Morlacchismo, to invoke Larry Wolff’s label of supposedly primitive behaviors ubiquitous in Dalmatia’s hinterland ca. 1700s, the episode took place under the rhetorical practice of parallelism: first Četnik then Ustaša when an apparently Serb official reports a Croat economic emigrant (Chapter 2).

During the first peak of purging in late 1971, Nikezić’s strategy of non-confrontation or even tacit support for Croatia’s reformers, widely acknowledged by scholars and publicists, dampened the overall atmosphere of crisis. Purges in Croatia undoubtedly bear greatest resemblance to 1950s “show trails,” complete with scripted out-pouring of self-criticism, an intense search for “internal enemies” from party cells at every level, but thankfully no executions of “rotten liberals.” Yet, the same initial official report on purging from Informativni pregled (Informational Review) also listed identical economic grievances that animated the “mass movement” and reformism. Among the problems singled out in June 1972 were an inadequate foreign currency regime and credit policy, prices that contributed to inflation, “alienated centers of economic power” in re-export and foreign trade firms and insurance companies, increasing foreign debt, the counterproductive relationship toward “private-sector labor” (“privatnom radu”) and redistribution via FADURK.

This official acknowledgement of problems pointed to how much reformers changed the terms of the debate, and even the very definition of what economic phenomena constitute problems but also an internal brake on purging: the more cadres purged, the fewer remained to
dismantle “alienated centers” and participate in the new “contractual economy” ushered by the 1974 Constitution. Of course, moderation remained contingent on Nikezić’s strategy to minimize the crisis. Though repression continued as a passive measure especially to check acquisitiveness spawned by the reforms and independence in the cultural sphere (“Croatian silence”), more active measures (dismissals, expulsions, etc.) largely moved from Croatia to Serbia and Slovenia certainly by early 1973, the topic of the next sections, and without a “retching effects.”

Purging continued in Croatia into 1973. For example, in Osijek, a city of 100,000 with an ethnic Croat majority, municipal elites demanded resignations of numerous members based on the “Action Program.” For instance, Mićo Ilić demanded the resignation of Jože Horvat, the President of the Municipal Committee of the Socialist Youth Union. “[A]s a cadre of [Marko] Koprla and [Ivica] Vrkči, he strictly implemented their policies, and that means the policies of extremism and nationalism… [for instance] warning the Vice-president [of the Youth Union] Ivanović not to enter his office because the meeting is only for Croats.”538 The sparse calls for expulsions, however, suggested that, at the local level the chimera factory Tito invoked in his pre-dawn speech in Karadjordjevo remained plausible in Gračac as well as Osijek and most of the country.

Perhaps more than the purge of the political elites, the confrontation with students, intellectuals, and quasi-independent journals (Hrvatski tjednik) and institutions (Beehive of Croatia) shaped popular memory and helps explain why even the purged politicians now carried the honorific moniker “prolećari” (“spring-timers”) that distinguishes them from their counterparts in Slovenia and Serbia. What is more, while no amount of research permits a definitive answer to how much ignominy and ridicule the purged suffered in their surroundings, those purged in Croatia captured the attention of the burgeoning human rights milieu in the West far more than those hailing from other entities did.539

Yet, purges seemed to have largely stopped at the leadership levels and Western papers carried stories about jail terms for intellectuals – not for leading politicians and certainly not quislings (Chapter 4) or nefarious “Japanese spies” whose activities vigilant neighbors uncovered. Redolent of authoritarian practice, “many convictions were passed via consultations between (“na relaciji”) the public prosecutor – Marko Berez, member of the Executive Council of the Central Committee of the League of Communists of Croatia – and General [Ivan] Mišković,“ and the hard-liners took over leadership positions in key media outlets, Vjesnik and TV Zagreb. The enemies Tito publicly condemned retained face validity: dissidents, nationalists, and the conspicuously affluent. 540 In the same breath with which he condemned embourgeoisement and nationalism, Tito told Rijeka shipyard workers that those who disagreed had the choice to disenroll voluntarily from the party, an almost conciliation gesture given that he spoke about “measures to prevent civic war” during Karadjordjevo.

Purging Serbia’s Multi-Ethnic Counter-Elite

Just as party cells across Croatia discussed the “Action Program,” cells across Serbia discussed the 21st Presidency of the League of Communists and, from September, the Tito-Dolanc letter. However, in what Stane Kavčič (lead reformer in Slovenia) described as Marko Nikezić’s “reasonable and dignified” approach to stabilize the situation in Yugoslavia, the liberals pushed off condemning Croatia’s purged leadership during Central Committee meetings. The first Central Committee meeting after Karadjordjevo, focused on the rise of social inequality, perhaps
the issue whose political significance reformers underestimated during the reforms; both Marko Nikezić and Latinka Perović abstained from criticizing their counterparts from Croatia.

Žika Djordjević noted that the youth especially expressed a preoccupation with inequality and “if we do not see the causes [of inequality] but only its effects, then our policy inevitably becomes that of a fire brigade tasked with putting things out, and perhaps to offer some temporary solutions.” Social differentiation, a topic of active research in sociology (a field that colonels had just banned in neighboring Greece), seemed as endemic as the Kuznets curve had predicted. During the next session, at the end of January 1972, the impact of Karadjordjevo took a more central stage, with an agenda item to discuss the 21st Presidency meeting. In a symbolically important move, when the 21st Presidency of the League of Communists came on the agenda of Serbia’s Central Committee, the Presidency session had not merited an exposé or so-called prepared materials that set the parameters of debate and its tone. Without an exposé, there was less to discuss and no particular position to defend or attack. Indeed, other agenda items included information on Tito’s executive decision to appoint Sinan Hasani, a rising star from Kosovo, as Ambassador to Denmark and truancy rates for dues from party members, veritably pro-forma minutia.

The clement assessment of nationality issues within the party voiced over a two-day meeting in March 1972 revealed weaknesses that no amount of self-criticism could set right. The Central Committee defined the problem in systemic terms: income inequality, geographically concentrated in Kosovo and other ethnically mixed regions, unequal use of languages and underrepresentation of minorities in the League of Communists of Serbia. In 1971, ethnic Hungarians constituted 21% of the population of Vojvodina but only 9.4% of party membership while ethnic Albanians constituted 73% of the population of Kosovo but only 60% of the party. As in the rest of the country, Yugoslavs per se played no obvious role in the party’s accounting of ethnic proportionality within its ranks or economic prosperity outside its ranks.

Even though an increase in the number of Yugoslavs might have evidenced greater tolerance from today’s point of view, from the point of view of the liberals, the fight against nationalism they had so sedulously waged since 1968 failed to redress ethnically based inequality in Serbia. While debates about development credits for poorer regions showed clearly that the federal regime had abandoned equality of outcome, similar reasoning never applied to ethnicity. As in Tito’s chimera factory visible in the dawn mists of Karadjordjevo, ethnic proportionality in hiring – though not in firing, which constituted unacceptable enumeration – was a perfectly acceptable approach. Analogously, underrepresented ethnicities ought to enter the party at greater rates, while overrepresented need not simultaneously exit at higher rates; in any scenario, to restate the conclusion about just distribution (Chapter 5), self-identified Yugoslavs complicated the political arithmetic by depressing the proportion of underrepresented ethnicities.

The trough in purging or the interregnum (critical juncture) between December 1971 and September 1972 thus revealed fissures that seemed less obvious outside crisis moments much like the meeting between Tito and Croatia’s political elites at Karadjordjevo showed disagreements in the form of grievances. In particular, in order to increase the capital-labor ratio, a perceived prerequisite for increasing productivity and thus economic growth, the reformers in Serbia triangulated within their republic by not opposing on political decentralization. Hardliners like Draža Marković opposed the 1971 amendments that further decentralized the common state (republics raised taxes erstwhile the purview of the federation) because, as a recent study
that summarized research since the 1980s observed, with the passage of the 1971 Amendments and the 1974 Constitution, “the meaning of the Socialist Republic of Serbia became unclear.”

How much could Belgrade party bosses like Marko Nikezić and Latinka Perović influence their subordinates (nominal terms), as opposed to their counterparts (real terms) in the Vojvodina and Kosovo branches of Serbia’s League to foster simultaneously ethnic proportionality but distribution based on productivity awaits a fuller answer. Suffice it to note here than Nikezić repeatedly demonstrated that he believed the provinces autonomous, including or especially with regard to sensitive nationality issues, as the grievances of the Turkish minority voiced by Kadri Reufi evidenced (Chapter 3).

As the next section argues, whether Serbia internally resembled more a joint tenancy (equal ownership and survivorship rights) or a tenancy in common (unequal ownership but freely transferable rights, read secession) would need to be worked out gradually after the 1971 amendments and 1974 Constitution, but Edvard Kardelj’s death in 1979 complicated the process.

The incursion of some 19 pro-Ustaša émigrés in May and June of 1972 justified a “social cleansing” (“limpieza social”). The speeches made by Edvard Kardelj in July and Tito in early September cemented the party line as a dual, or parallel struggle against unacceptable nationalism and “techno-menagerialism.” The renegade émigrés, whose extreme nationalism was as obvious as the fact that they made their homes in the capitalist West after World War II, amply explain why the arbiter in chief, Tito, and his closest veto player withdrew support for liberals across the country, not just those in Croatia. In what proved to be a functional equivalent of Zagreb City Committee’s “Action Program,” the Cadre Commission within the Presidency of the party, along with Kosovo’s party and the party cell in Yugoslavia’s largest mining complex with some 20,000 employees, the Trepča’s mines, arrived at clear conclusions during a 12 September joint meeting. They urged for “increasing the power of the proletariat through the elimination of informal groups [eliminisanje neformalnih grupa].” Technocrats with liberal leanings created informal groups that would be replaced by – workers.

The Cadre Commission clearly spelled out the means to this goal: “acceptance and expulsion, etc. will become a strong factor [snažan činilac] for the transformation of the social structure” of the party. By late September 1972, an open letter by Tito to all party members signaled the need for further serious measures to restore party unity that informal groups eroded. “A bureaucratic mentality, acquisitive proclivities and petit bourgeoisie tendencies” coupled with “political intrigue, heartily inspired by enemy elements form our country and from abroad” have infiltrated official policy, Tito and Stane Dolanc explicited. The reckoning with liberals in Serbia and Slovenia ensued.

The “consultations” with party members that stretched over six days (between 9 and 16 October) and encompassed representatives from every region of Serbia, in addition to select representatives from the federal bureaucracy, including the quintessential moderate, Kiro Gligorov, the federal Secretary of Internal Affairs, Nikola Ljubičić, and Stane Dolanc. Tito and his supporters lacked the wherewithal to challenge the leadership of Marko Nikezić, a stunning confirmation of the importance of local-level politics as well as the power of the reformers. The next iteration provides analysis of the meeting similar to the one in Karadjordjevo (Chapter 1). Suffice it to note that of some eighty speakers a mere eight sided unambiguously with Tito, a point underlined by the unusual absence of concluding points customary for meetings of any significance. (Recall that Savka Dabčević-Kučar delivered a concluding remarks running to nine typed pages.) As in Croatia, these consultations revealed grievances of local-level party official unhappy with reformers. The contrast between the party cell in “Grafika” writing to the Central
Committee in Croatia and the functional equivalent of a “loya jirga” (“grand council”) in Belgrade with Tito presiding suggests distinctions in the purging process. The purges spread more top-down in Croatia in contrast to Tito’s “going to the people” during a meeting of party activists. The pace seemed slower in Serbia, or at least more involved given the autonomy of parties in Vojvodina and Kosovo, and, perhaps as important, the more aural and personalist political culture also prolonged purging in Serbia.

The two chief hard-liners explained the approach, and its justification. Petar Stambolić, a decorated Partisan, President of the Federal Executive, spelled out the approach during a meeting at a party’s factory cell in 1977 “we went in heal first.” Draža Marković, a contemporary of Marko Nikezić from a family of teachers and communists, confided in his diary on 1 February 1972, “better that we are ‘less democratic’ but that the independence and stability of our socialist society is maintained than that we bring out society, ‘like good democrats’ to the brink of uncertainty.”

Unlike Croatia, Serbia lacked an Informativni pregled (Informational Review) and an official account of disciplinary processes. The reconstruction of the purges requires a social historical approach largely absent from current scholarship, heavily based on elites and their accounts. The secondary literature notes several waves of resignations of high officials, like those more closely followed by contemporary Western media across Croatia. In the fall, the Central Committee stood at the epicenter and, by the winter, the purges spread to federal-level and other high-status individuals. Marko Nikezić and Latinka Perović resigned on 17 October, the day after Stane Dolanc closed the six-day “consultations,” Koća Popović, Nikezić’s mentor, on 3 November, and Mirko Čanadanović, the head to Vojvodina’s Central Committee, on 18 December 1972, and his mentor and predecessor, Mirko Tepavac, resigned as Foreign Minister. The resignation of arguably the highest-ranking official to across Yugoslavia during the purges marked the peak of the second wave of purging and hinted at the depth of party’s schism in Serbia. The Vice President of the Federal Executive, Konstantin (Koća) Popović, was a Spanish Civil War veteran, decorated Partisan and former Foreign Minister.

Purges of elites in media and elites in industry complemented those taking place across the state apparatus. Systematically as in Croatia, editors and key journalists left their posts, through either dismissal or resignation. The cohort included the Editor in Chiefs of the daily of record, Politika, Aleksandar Nenadović, and magazine of record, Nedeljne informativne novine, Frane Barbijeri, the Director of TV Belgrade, Dragoljub Ilić, and its Editor in Chief, Ljubomir Veljković, and the Editor in Chief of the main economics newspaper, Ekonomska politika (Economic Policy), Života Djordjević. As with some liberal politicians, rather than an active measure like a dismissal, some had not been reappointed to another mandate, a more passive and milder measure (the General Director of TV Belgrade, Zdravko Vuković, and the Editor in Chief of the daily closest to the party, Borba (Struggle), Slobodan Glumac. In a 2012 feuilleton, Srdjan Cvetković cites that hardliners stated that they purged directors in some 87 enterprises, but a systematic study of business elites in socialist Serbia awaits its scholar. Even the moving force behind the automotive conglomerate Crvena zastava (eventually infamous for its Yugo cars), Prvoslav Raković, had been pushed out by 1974. Vladimir Jasić, General Director of the still-working electronics conglomerate, “El Niš” (following Soviet naming practices, Electrical Industry Niš) participated in the creation of an unacceptable “techno-bureaucratic monopoly.”

By the third peak in purging, in late 1973 and early 1974, when a mop-up of the Serbia’s Central Committee and Socialist Alliance of Working People took place, the purges affected municipal elites in Vojvodina and, almost unstudied, in “central” Serbia, including Niš,
Prokuplje, Požarevac and Kruševac. A half-year passed between the resignations in Vojvodina of some two dozen high-ranking cadres and the expulsions of perceived ringleaders like Mirko Tepavac and Mirko Čandanović, and the sanctioning of Pal Šoti and Geza Tikvicki with a warning (the mildest punishment). Papers carried the debates in four successive issues between 17 and 20 June, detailing the “factionalist activities.”

Much like in Belgrade and Zagreb, in Novi Sad and in Skopje, key elites engaged in self-criticism, though with insufficient vigor to prevent their expulsions. Mirko Čandanović, who as President received support from Vojvodina’s party branch on 26 October, along his Secretary, Miloš Radojčin, made conciliatory gestures. Čandanović made additional conciliatory gestures at the Yugoslav Party Presidium on 31 October, admitting that he had been insufficiently self-critical. Still, Marko Nikezić’s successor, Tihomir Vlašković (an economics professor), nonetheless purged the Vojvodina cadres in mid-December. In what counted as an act of defiance, the Socialist Alliance of Working People of Vojvodina replaced Matyas Kelemen, the Hungarian representative on the 23-member collective federal state Presidency, for refusing to resign his post voluntary, something that Kelemen ought to have done since he studiously failed to accept “criticism leveled against him by comrade Tito.” Another Hungarian, Radio Free Europe noted, had to fill his place in government, evidence that ethnic balance constituted a goal of the regime and that purging had to remain mindful of the ethnic dimension.

The petro-chemical center in Sisak, Croatia, where “enumeration” in the steel-works and the refinery allegedly took place (noted above), offered a rare glimpse of local politics. The electronics and machine industry center in Niš, southern Serbia, does so as well. The sites of conglomerates whose size gave them monopoly powers like those of Soviet enterprises but openness to the West provided access to credit and expertise – Zastava and Fiat, but Phillips pulled out of Niš after the purges, Bell and ISKRA (Kranj, Slovenia), Dow Chemicals and OKI (Zagreb). Both cities expanded spectacularly after World War II. Journalist Slobodan Krestić carefully reconstructed the rise and fall of the liberal troika in Niš, Dr. Veselin Ilić, a sociology professor and President of the Ideological Commission of Serbia’s Central Committee, Ljubiša Bogdanović, Central Committee member who rose from being a worker to a leadership position in conglomerate Electronic Industry, and Radmila Kostić, Chamber of Commerce Secretary.

The copious stenographic records – evidence of aural culture -- and official documents chronicling the “Damascene conversion” of exemplary cadres into factionalists contained the official reasons for their persecution. Chief among them, the cadres engaged in “informal contacts and liaising” that continued even after Marko Nikezić and Latinka Perović resigned and that resulted in “the formation of political positions that were contrary to the policies of the League of Communists of Yugoslavia.” Far from the gaze of Western embassies and journalists, the slow-moving purging process testified to the resilience of an authoritarian political culture.

Like the resignations in Zagreb’s City Committee, the charges against cadres from Niš strained credulity in a way that suggested their emplotment, to invoke Hayden White, in Bolshevik culture in a first of seven transgressions, Professor Veselin Ilić unacceptably “liaised and offered support to the former ruling elite in Serbia’s Central Committee in its anti-self-management and factionalist activities.” Ljubiša Bogdanović showed “unreserved support for the techno-bureaucratic group around the General Director of EI Niš” and other “uncommunist bahavior” (“nekomunističko ponašanje”). While Radmila Kostić exhibited, like liberals in Croatia’s Central Committee, “insufficiently critical and self-critical position” towards liberal
policies that could be ascertained by her “passivity during closed meetings of the Central Committee.”

During the 61st Session of the Municipal Conference of the party in Niš (17 January 1974), a member of the political active, Dušan Gligorijević, bluntly announced, “liberals in Niš must be punished,” and felt the need to quickly qualify that this excluded physical punishment -- similar qualifications seemed absent in central committee meeting, qualifications that seemed absent in purge meetings held in capital cities. The session took place days after the dismissals of four officials from the Secretariat of Serbia’s Central Committee and after painters in the party published a statement that Stane Kavčič described in his diaries as “the most vulgar Zhdanovian attack on the freedom of artistic expression.” In contrast to Slovenia, the disciplinary processes dragged on for years and sent a clear message about the deleterious consequences for those engaged in nascent networking.

Purging Slovenia’s “Chicago Boys”

During the 136th meeting of the Secretariat of Slovenia’s Central Committee on 28 and 29 October 1972, the policies of the lead reformer in Slovenia, Stane Kavčič, received thorough criticism. Hard liners, including Janez Vitopnik, Vinko Hafner and Mitja Ribičič, and some moderates, including Sergej Kraigher, the cousin of the late Boris Kraigher who designed the 1965 reform laws, partook. The hectoring Stane Dolanc attended the first day, but not the second, and Edvard Kardelj neither. In contrast to proceedings in Croatia and Serbia, however, those in Slovenia seem marked by some accommodation between hard-liners and reformers, not just naked confrontation. This comparatively accommodating policy – a lead purger, Vinko Hafner came to Kavčič’s home on 24 October (Thursday evening) to prearrange the 136th Session – suggests how greater continuity among elites in Slovenia could take place.

A clear call in late December 1972 by another hard-liner, Franc Šetinc that party cells ought to focus on self-criticism and not on zealous dismissal proceedings also evidenced a pragmatic desire to limit damage to a party continually declining in size throughout the previous decade. Indeed, reflecting on the purge, Kavčič memorably quipped, “the sin is my alone.” Despite the call for moderation and the very limited attention to quantification of the party’s shedding rate by scholars, census evidence presented above points to a visible membership decline in 1972 that potentially resembled a sub-type of “living in truth” little researched in the context of Yugoslavia. In Slovenia, to use Vaclav Havel’s metaphor, it seemed that a great many party members disenrolled voluntarily and somewhat like the green grocer, to put out fewer slogans in the window. This remains a significant development not in spite but precisely because a larger number appeared to have shared the indignity of the majority of their counterparts across Serbia – discretionary erasure from their party cells (Table 27, Column 4).

Apart from this underexplored discrepancy between the hard-liners apparent intent to limit sanctions and the excess voluntarily departure of twelve hundred, the ideological justification for the purges showed the height of the reform ceiling. While for reformers, the party retained a monopoly on policy initiatives and thus opposed external, out of party initiatives -- the 1971 dismissal of Dr. Franc Pediček as Director of Slovenia’s Pedagogical Institute discussed above -- the party made internally a significant expansion of what counted as ideas and policies compatible with self-managing socialism. Specifically, Kavčič pushed for market-based development in his republic’s main strategic document, the 15-year development plan (1970-1985). The document, devised largely independently of similar long-term planning efforts done
at the federal level, failed to concord with self-management principles and, a point rightly stressed by Božo Repe in his groundbreaking 1992 study of what he consistently demarked as “liberalism” in Slovenia, de facto objected to Slovenia’s, and thus Yugoslavia’s, support for international national-liberation struggles. At a time when Portugal still colonized Angola and Mozambique, such support complicated foreign relations with NATO countries, an abject reminder of the difference between neutrality (Austria and Switzerland) and Non-Alignment. For hard-liners, the international obligation required by non-alignment represented not just prestige but also one of dwindling fiscal prerogatives of the federal apparatus (security, veteran’s pensions, FADURK being the largest).

With disastrous timing, a few weeks before Karadjordjevo, on 13 November 1971, Stane Kavčič floated the idea of allowing workers to investment in a form of stocks in enterprises that employed them. Slovenia’s main daily, Delo (Work) carried the proposal, an idea which economists Lado Rupnik and Janez Bukovec explicated as early as 1968 in a study for Slovenia’s Parliament. With characteristic jocularity, Kavčič quipped, “instead of spending a million [dinars] on a Fiji Islands’ vacation one could make an investment in some enterprise, and apart from interest [on the investment] receive something extra besides [the interest] if the investment proved profitable.” As per established practice, a Slovène, Janko Liška, responded to the “indecent proposal” with an article in Komunist, the main ideological mouthpiece of the federal regime published in Belgrade that, again per established practice, Delo carried on 26 November.

Resignations quickly, but quietly, followed, a stark and revealing contrast to the experiences of Serbia and especially of Croatia. Kavčič had not recanted as publicily or as theatrically, unlike Macedonia’s Slavko Milosavlevski or even Savka Dačević-Kučar during Karadjordjevo, for what had been dubbed by the federation’s ideologue-in-chief, Edvard Kardelj, as unacceptable “people’s capitalism.” Despite the gravity of the ideological trespass -- the issuance of non-voting but interest-yielding shares to proletarians, an irreproachable anathema that effectively reintroduced financial capital via a de facto “contingent contract”-- Tito had not consulted with the aberrant followers to vouchsafe the sincerity of their repentance. However, hard-liners clearly condemned this in the Central Committee with France Popit summarizing that “philosophizing about shares and private initiative is one and the same as introducing seeds of capitalism into our society.”

A major or even the major ideological deviation, the de-facto reemergence of small-scale financial capital and thus financiers (those collecting interest payments from shares), local elites settled in house that is without an audience with Tito, as happened in Belgrade. In a party based on public self-criticism, the relative restraint implied that the purge resulted in a comparatively smaller, and certainly less public, schism between elites in Slovenia. No inquisitorial dignitaries knocked down factory gates to settle accounts with devious enterprise managers and complicit local party elites, as happened in Sisak and Niš. In fact, the number two man, Leopold Krese (President of Slovenia’s Chamber of Commerce), quietly became the director of Gorenje, still one of Slovenia’s most successful firms as an exporter of “white goods” (durable kitchen appliances). More symbolic, like Macedonia’s Krste Crvenkovski, Stane Kavčič sat out his term as Kopar’s representative in the Federal Parliament and attended the celebratory session for the enactment of the 1974 Constitution. After the winter peak, purging subsided but reverberations of purges affected institutions for several years. As with the “Belgrade eight” professors, four colleagues in Slovenia, Vladimir Arzenško, Tine Hribar, Janez Jerovšek, and Veljko Rus, also suffered persecution and ceased teaching by February 1975.
“You are all pretty guilty”: Estimates of Number Purged Cadres in Slovenia, Croatia and Serbia

Current research recognizes that the vertical spread of the purges differed little across the republics – hardliners purged strategic elites in government, in large firms and media outlets. Since the publication of initial reports by Western media and Radio Free Europe and those produced by the party itself, subsequent analyses by scholars from America as well as Germany overwhelmingly accepted these contemporary estimates from the early 1970s and thus largely underplayed the role reformism as having very much of a social characteristic beyond the national one in Croatia. Indeed, the steady stream of participant accounts during the last years of the common state has not translated into fresh scholarship from the successor states – the disintegration of the common state, rather than the most creative attempt to redefine it, remains central to research agendas. Questions about the numbers affected by the purge (a quantitative dimension) and the short- medium- and long-term consequences (qualitative dimensions) thus seem mundane research topics. The greater availability of the critical records of the League of Communists in Belgrade since the mid-2000s invites an archives-based “robustness check” of the initial estimates and the participants recollections as a shy step toward reexamining the purges.\textsuperscript{571}

If we take a step backward, we find that the figures recorded in internal party censuses reflect larger social processes unfolding from the early 1960s. As women entered the labor force, they were no longer counted as a separate “social group” from workers and peasants; the increasing complexity of occupations revealed industrialization, ubiquitous decentralization underlined by the absence of an adequate name for censuses -- were they central or federal or, more accurate, joint censuses of entity parties? The reconstruction of those processes back from official figures requires interpreting significant, at times productively insightful distortions that result from attempts of a mass organization, the party, to make it, borrowing from James Sheehan, legible.\textsuperscript{572} Apart from a more precise, the new estimates build on a theme from Chapter 3, nascent reformist networking, another social process difficult to reconstruct back from so-called high-modernist primary sources.

The question of false positives -- those purged for non-political reasons such as religiosity -- and false negatives -- those purged for so-called Cominformist views or centralism - - counts as a second useful consequence of numerical estimates of victims. Clearly, liberals applied sanctions, but which sanctions counted as purges beyond the nearly trivial cases of top elites? In among the most detailed and earliest accounts, Božo Repe described the removal of the Director of Slovenia’s Pedagogical Institute, Dr. Franc Pediček. In the summer of 1971, he allegedly supported the introduction of “conceptual pluralism” in school curricula, a policy that in the eyes of Slovenia’s party inexorably led to completely unacceptable “ideologically neutral schools.”\textsuperscript{573} Measured against liberal ideals, Repe rightly dates the dismissal as an early case of ending socialist liberalism, yet perhaps the episode showed the ceiling of reform during Titoism and thus suggests the importance of identifying potential false positive cases in the discussion of purges – reformers squarely endorsed self-management in the economy and the party’s leading role in public life. A curriculum that failed to recognize these axioms had no future, nor the cadres who proposed it. Of course, hard-liners imposed some long jail terms, for instance the author Vlado Gotovac, and reestablished ideological control (e.g., the firing from Belgrade University of eight professors associated with the journal Praxis in 1975).\textsuperscript{574}
While journalists provided some dramatic accounts, most Western scholars relied on official sources and focused on nationalism. For example, a veteran journalist provided the upper bound estimates. Dusko Doder wrote in the Washington Post right before the Tenth Party Congress (May 1974) that the purges decreased the party size by as much as 10%, with over 50,000 expulsions.575 Dennison Rusinow, one of the most perceptive observers writing in the late 1970s, and Sabina Ramet more recently outlined the liberal reforms and the purge of reformers, providing perhaps the two most detailed treatments in English. Both provide rather few figures, in part because official sources eschewed details about disciplinary procedures. Since the 1980s, a few German sources also presented similar findings, and like American scholars largely relied on official estimates. For instance, Wolfgang Höpken only noted that between December 1971 and April 1972, 43 officials from Croatia’s Socialist Alliance of Working Peoples (SSRN, featured in Chapters 4 and especially 5) resigned and another 19 received transfers from their posts, while Maria Janina-Calic repeated the official tally.576

The official report by Croatia’s party that shaped Western perceptions outlined that the party expelled a mere 741 members (over 80% self-identified as ethnically Croat), 280 resigned and a further 131 lost their posts.577 A similarly detailed report never appeared in Serbia, or in Slovenia and Macedonia, although the media filled the void for Serbia.578 Zoran Matković, member of the Central Committee, explained that presumably the party in Serbia expelled some 2,000 members and another 300 resigned between the September 1972 Dolanc-Tito letter calling for “ideological action” and late February 1973. A similarly candid, and accurate, official assessment hardly appeared in Party or state materials for Slovenia and Macedonia, making memoirs especially important.579 Specialized publications, such as those made for party Congresses, reported barely enough details for observers to know that expulsions typically numbered well over ten thousand annually and all other disciplinary measured at least as many.580 However, given the obvious difficulty of delineating false positives (purged independent of reformism) and false negatives (purged for political crimes like Cominformist, but not reformism) in these sources, scholars made little use of them.

At the very end of the 1980s, memoirs of participants dwell more extensively on the issue of numbers affected and, a closely related one, the changing composition of the party during and after the liberal period.581 Memoirs, especially early ones used below from Stane Kavčič and Miko Tripalo who cites 5,000 purged outright, thus provide a more useful starting point than other sources for estimating the scale of the purge.582 In Serbia, as in Croatia, some of the purged liberals provided the initial estimates starting in the late 1980s, while in Slovenia both liberals and scholars took a qualitative approach: careful, even intimate portraits of leading figures sufficed as proof that scaring purges took place.583

Apart from Latinka Perović, Ljubomir Dimić noted in 2003 that hardliners removed some 6,000 economic cadres, but this rare general political history of Serbia within Yugoslavia made few additional numerical estimates.584 By contrast, Igor Bavčar and Janez Janša cite briefly an estimate of 300 purged elites in Slovenia. For example, these two 1980s dissidents also described Franc Šetinc, the new Secretary of Slovenia’s Central Committee, as a hard-liner and soldier of the revolution even though Šetinc called for restraint with sanctioning by Slovenia’s party cells as early as December 1972.585

A younger generation of historians has written extensively on various aspects of coercion during socialism. Perhaps the first, Božo Repe, in a dissertation published right as the common state disintegrated, detailed the purging of perhaps a dozen elites. These included, apart from the troika listed above, Živko Pregl, the President of Slovenia’s Socialist Youth Alliance, who
resigned, as had his colleague, Tone Reme, four professors from the Faculty of Sociology, Political Science and Journalism, and Ljubljana’s City Committee, like that in Zagreb (Srečko Bijelić) and Belgrade (Bora Pavlović). While a generation of younger historians wrote analyzes of various aspects of liberal policy, Tvrtko Jakovina the extent of American support for the Croatian Spring and Hrvoje Klasić a detailed social history of the Croatian Spring in Sisak, a center of petro-chemical industry, a thorough analysis by non-participants of the purges has yet to appear. However, the kind of figures for victims of Cominform authoritatively contextualized by Ivo Banac in the late 1980s – some 55,000 arrested (with Serbs overrepresented), some 16,000 prosecuted (with cadres from Montenegro and the Army overrepresented) – have yet to emerge for the purges. The absence of such an estimate inspired the comparative approach below.

“The elimination of informal groups”: Distinguishing Between Forced Exits and Natural Fluctuations in Membership in the Early 1970s

Contemporary sources contain information about the size of the party but not many details about fluctuations in its membership. Current scholarship readily reconstructs the full line on the right-hand scale that shows the total size of the party, yet joint censuses permit the reconstruction of the dotted line that calculates membership based on new entries, exits from the party and deaths (Figure 7). The party actually shrank during the reform period despite its purported popularity. In 1968, its membership reached some 1.15 million, but fell to 1.05 million in 1970 and 1.01 in 1972. The decrease in total party membership during the high liberal period seemed driven by both a decrease in the number of new entrants and an increase in the shedding rate, a scissors effect meritng further attention. Although sporadic, evidence from smaller communities, like Aleksinac and Požarevac in central Serbia, suggests that liberals carried out an active cadre policy, even something approaching a purge in the eyes of hard-liners, yet the available evidence does not allow an analysis of the dramatic fluctuation in 1970.

An empirical postscript details the calculation for fluctuations in membership. A bidirectional approach acknowledges that fluctuations in membership stem from two sources. One source was the pace of entry into the party. For instance, during the Cominform purge, membership continually increased (from about 480,000 in 1948 to 770,000 in 1952) but then decreased steadily until the late 1950s. The second source was the rate of exits from the party. About 50,000 new members per year joined the party between 1969 and 1972, while membership routinely increased by over 160,000 per year until Tito’s death in 1980 (Figure 7). On the other hand, dismissals and resignations decreased by about half, from an average of 10,000 dismissals and 12,000 resignations between 1969 and 1974 to about 4,500 and 3,000, respectively, between 1975 and 1980.

An attempt at quantifying the numbers affected by purging shows the difficulties with identifying a purge of “non-Stalinist” proportions, as most purges that took place during socialism had been. Suffice it to note that the “unregistered,” as Boris Vušković called them, showed that the party failed to account for some quarter million members throughout the 1970s. While excess exits -- exits above the average or a baseline rate during an officially announced purge -- plausibly confirm a purge and even provide a rough estimate of the numbers purged, less severe sanctions than expulsions existed, prompting a contemporary Western observer to quip that “thousands less implicated lingered on.” Liberals such as Pal Šoti and Geza Tikvicki, respectively, among the most prominent and highly decorated ethnically
Hungarian and Croat members of Vojvodina’s party, received mere “warnings” (Table 24 outlines the gradation of sanctions preceding expulsion). Incorporating the fates of Šoti and Tikvicki, part of the multi-ethnic cadre of reformers, into the tally of affected cadres requires additional care impossible with the available evidence. In answering the question how many cadres “lingered on,” a clearer distinction may emerge about the size of the network but also the size of the network in popular memory, or a more symbolic tally of those affected by the purges.

Three macro-level changes relevant for understanding the purges include an increase in number of entities and a decrease in types of sanctions between the late 1950s and late 1970s, yet the types of punishable offense, or deviations from the party’s policies followed a sinuous pattern. In these joint party censuses, like in national ones, the order of territorial entities changed from a listing based on population size, largest to smallest entity in the 1950s, and shifted to an alphabetical ordering by the 1960s, suggestive confirmation of the growing equality among territorial entities. (Table 25 replicates the ordering of entities from the republics listed by size in the 1950s to ten entities with parties in the 1970s). A similar point, to recall, held for the ordering of officially recognized nations and nationalities: size gave way to alphabetical ordering and the number of nations and nationalities increased.

The ordering of sanctions, the second macro-level change, persisted until the purges but decreased in complexity after the purges. And the typology of behaviors that led to sanctions, the third macro-level change. Economic crimes persisted as types of deviance, while factionalism emerged as a separate breach of the party’s Statute – strong, but indirect evidence that hard-liners thought that reformers conspired. The convoluted phraseology that emerged after the purges, akin to “speaking Bolshevik,” complicates a meaningful comparison of deviant behaviors before and after the purges.

Vernal “factionalism” in Croatia

Until the loosening of censorship during the second half of the 1980s, when participant accounts painted a gloomier picture of purges, Western sources largely accepted studied official underestimates of the purge in Croatia. Western papers reported the resignations of top political elites – *New York Time’s* Anatole Shub memorably described Miko Tripalo as “the Croatian Kennedy” – and noted by January 1972, “hundreds of officials in factories, newspapers, villages, and party organizations have been forced out.” Aside from noting the arrest of over one thousand people, a dramatic figure for Yugoslavia, the figures of all resignations hovered in the hundreds until the purges spread to Serbia and Slovenia in late 1972, and indeed figures for resignations from key enterprises and local-level party cells remained in the low double digits.

An early version of the official tally appeared in a practically untapped source, *Informativni pregled* (*Informational Review*), a socialist version of the *Congressional Quarterly* but only put out in Croatia. The June issue reported the expulsion of Savka Dabčević-Kučar, Mika Tripalo, Pero Pirker and Marko Koprtla at the 28th Session of Croatia’s Central Committee and excerpts from the report it prepared for the 32nd Presidency of Yugoslavia’s Central Committee (11 and 12 May 1972). The official tally estimated the leadership hard-core (“rukovodeće jezgro”) of the mass movement among students at 20 and that of the Croatian Matica at 19.
The background of the “maspok,” the so-called mass movement, provided a walloping pool of potential transgressors. For instance, the Matica Hrvatska (Beehive of Croatia, a related but organizationally distinct from the Émigré Beehive discussed in Chapter 4), grew exponentially from 30 branches and some 2,300 members in November 1970 to 55 branches and some 41,000 members a mere year later, an obvious network. In the pages of its publication, Hrvatski tjednik (Croatian Weekly), urged that conscripts from Croatia serve only on its territory and, all be it minor, suggested border changes with Bosnia, all erstwhile taboo topics discussed. In another instance of parallelism, the Serbian Cultural Society “Prosvjeta,” the principal official organization of the Serb ethnic community in Croatia established in Glina (Military Border region) under Vladimir Bakarić in 1944, predictably, and understandably, sounded alarm against the outpouring of grievances from the Beehive. In its official report, the party designated the Beehive as something of a ring-leader, indeed in Josip Vrhovec’s caustic formulation the Beehive “spawned” the Croatian people, and not the other way around. At the very least, the party members among the 40,000 new admits into the Beehive along with the new entrants into Prosvijeta, whose affiliate offices also grew exponentially from five to 13 by 1971, represented potential transgressors. Other officially identified large clusters responsible for unacceptable nationalism included the Students’ Alliance (Savez studenata), many of whose leaders, including Dražen Budiša and Ivan Zvonimir Čičak, received jail sentences, and several new publications, Hrvatski književni list (Croatian Literary Journal, 1968) and, especially significant for this project (and virtually untapped), Hrvatski gospodarski glasnik (Croatian Economic Herald, 1971).

Keeping in mind these data limitations, the censuses nonetheless recorded a substantial part of the story (Figure 8). Whereas the party expelled over two thousand members annually between the 1963 and 1974 constitutions, it expelled over three thousand in 1972, the difference being a strong internal record of the party’s excess expulsions. In fact, whereas officially Croatia’s party expelled 741 by May 1972, excess expulsions (average minus purge year expulsions) equaled 747 for the entire, calendar year (Table 27, see Column 1).

What appears as a modest figure of expelled members in absolute terms – 750 members over the baseline purge rate of 2,400– suggested a dramatic spike, indeed a 30% increase, in expulsions during 1972 (Figure 11). Other than visual confirmation, narrative evidence also justifies the focus on 1972; for instance, Savka Dabčević-Kučar resigned in late 1971, but the party expelled her for factionalism in early 1972. The approach based on visual confirmation works perhaps even better in Slovenia and unambiguously worse in Serbia. Slovenia offers almost a counter-example, negligible expulsions and dramatic disenrollment, and thus a rudimentary analysis of “legibility” suggests different dynamics of purging across the country.

Serbia, Slovenia and the Struggle Against “Bureaucratic-Technocratic Conservatism”

Purging in Serbia and Slovenia took place simultaneously. Hard-liners relied on a similar ideological rationalization for the purge, namely the unacceptable primacy of economic profits over self-managing interests pursued by the liberals. This similarity in rationalization justified outlining the purges in Croatia first and then jointly presenting those in Slovenia and Serbia. Specifically, hardliners throughout Yugoslavia relied on the practice described as parallelism in the analysis of the Karadjordjevo meeting, and an unconcealed appeal to the Partisan struggle. They thus reminded all elites that maximizing local self-rule remained conditional on minimizing security threats to the party’s monopoly (the AVNOJ bargain, Introduction). Edvard Kardelj
explained on 4 July 1972, in a speech on the 30th anniversary of the formation of Partisan units in Slovenia, that the party waged parallel struggles. One fight was against “the rebirth of Stalinist dogmatism and absolutism,” coded warnings for Andrija Hebrang’s and Sreten Žujović’s would-be heirs in Croatia and Serbia, and another was against “bureaucratic-technocratic conservatism,” coded warnings against flirtation with liberal reformers in Slovenia, “national reconciliation” with émigré groups and “bourgeois liberalism” entrenched managerial elites (as opposed to worker self-management).

Tito reiterated the parallel threats in a September speech in Prijedor, Bosnia. Yugoslavia’s commitment to the third way entailed non-alignment internationally – a wedge position that precluded integration into the European Community or the Soviet sphere -- and self-management economically, a variety of socialism that also limited the individual’s capital accumulation but set an incomparably higher ceiling beyond which the regime justifiably expropriated. Picturesquely and hypocritically, Tito noted, owning one weekend house was consistent with self-management, but not owning several weekend houses.607 The backdrop for the speeches underlined ties to the Partisan struggle, explicit in Kardelj’s case and discernable in Tito’s (the Prijedor region with its Kozara war memorial remains hollowed ground for surviving Partisans).

The connection between the AVNOJ bargain, Yugoslavia’s wedge status and acquisitive socialism now seems like a prototypical stretch of communist pseudo-ideology – much as “brotherhood and unity” stretched the compatibility of ethnic separateness with ethnic equality within a national-liberation movement. Yet, at this time the connections seemed clear, just as no special explanation was needed to show the similarity between the ideological deviations of Slovenia’s and Serbia’s reformers. To give one example from well before the open confrontation with reformers, Arif Tanović noted in March 1970 that the party’s ongoing efforts for the renewal of Marxist ideology required both a struggle against “Vulgar economism” and apologists of market forces (two plus weekend homes) and a struggle against apologists for “primitive communism… vulgar democracy, egalitarianism.” Since the debate took place in the most orthodox setting, the Commission for Theoretical Work within Bosnia and Herzegovina’s Central Committee, hardly a stronger example existed of the party line.609 In light of the effort to revive Marxist ideology, during the closing critique of Serbia’s Central Committee, Tito plainly noted that other Central Committees also failed to wage a parallel struggle, or rather to implement with equal vigor all aspects of the [party] line on all fronts. I repeat, on all fronts. And this means a parallel struggle [“paralelnu borbu”], with equal intensity, both against bureaucratism, dogmatic, conservative forces and Rankovićist [“rankovićevaca,” after the hard-line security apparatus chief, Aleksandar Ranković], as well as against anarcho-liberalism, the class enemy, nationalism and petit bourgeoisies thinking [“malogradjanskih shvatanja”]. Downplaying the struggle against anarcho-liberalism and the class enemy in principle means an opportunism that assists those forces that favor the strong hand, that is that incline toward bureaucratism, dogmatism, etc. These phenomena have happened among you [across Serbia], and not only among you.510 On the level of political arithmetic, the contrast between accommodation among competing elites in Slovenia and the “zero-sum” outcome across Serbia and in Croatia with clear loser and winners, serves as an entry point for the discussion about the immediate consequences of the purges. The very different dynamics of purging, described in the next section, highlight the contrast between zero-sum and non-zero-sum approaches, a distinction absent from current
scholarship but critical for understanding why purges had different consequences across republics.

The purges in Serbia started during the autumn of 1972 and thus overlapped with the party’s “political offensive” that Tito and Stane Dolanc’s open letter trumpeted on 18 September 1972. While Slovenia’s elites had only marginally more time to prepare than Serbia’s, the sheer difference in scale (about 65,000 compared to 440,000 members) and the more intricate scope (one homogeneous republic versus a multiethnic republic with two autonomous provinces) all combined to make purging more involved in Serbia than in Slovenia. A brief view of adjacent Figure 12 and Figure 13 confirms as much. The prominence of “problematic” cadres in the autonomous provinces, from Vojvodina Mirko Tepavac, Mirko Ćanadanović, Geza Tikvicki, and Pal Šoti, and those from Kosovo like Orhan Nevzati, underscored the differences between purging in Slovenia and in Serbia largely glossed over in contemporary Western press reports and in subsequent scholarly analysis.

Apart from the Yugoslav party censuses, several sources from Serbia’s party permit a more complete reconstruction of fluctuations in membership (for consistency, Figure 9 presents evidence from joint censuses, while Table 26 takes advantage of archival censuses from Serbia’s party). The postscript covers the details. Data disaggregated into four macro-regions, imply that reformism, and by extension “networking,” was more than a “Belgrade story.” Fluctuations that are more dramatic occurred in Belgrade and “central” Serbia than in Vojvodina and Kosovo. As joint censuses revealed, discretionary erasures accounted for most the exits, some 7,000 during the two purge years, compared to a mere 3,000 for the three prior years. In “central” Serbia, the party erased during 1972 over 5,100 members, a little less than half for the previous three years.

To frame these estimates, since Serbia’s party had twice as many members as Croatia’s branch (some 440,000 compared to 220,000 during the 1960s), the purge affected a proportionately smaller number of party members in Serbia. Yet, Igor Bavčar and Janez Janša, among the most prominent dissidents in late 1980s Slovenia, quipped, “it went hardest with the Serbs,” referring unsentimentally to purging procedures and doing so in characteristically ethnic terms. English-language press treatments from the period only briefly mentioned the resignations of several key reformers in Slovenia, practically naming only Stane Kavčič, and in Macedonia, where the purges reduced to the firing of some twenty elites.

Stane Kavčič, the head of Slovenia’s Executive Council (Government) since 1967 recounted the comparatively respectful treatment he received from his opponents, a point developed in the next section. Tone Kropušek, the President of Slovenia’s Alliance of Syndicates, and Leopold Krese, President of Slovenia’s Chamber of Commerce, stood out as co-conspirators but not as much as Kavčič’s reiteration that he had been the main culprit, perhaps better the sacrificial lamb, even though he and the hard-liners saw eye to eye. “The sin [against the party line] was my alone, although we understood each other very well and co-operated well.” Indeed, he slightly expands the list of “sinners” (his word choice) to include other reforms, and some local leaders, like mayor of Piran, a city in Istria, Jolanda Kos. In all, the main culprit left the impression that hundreds, but certainly not thousands shared his fate.

Economist and prominent adviser to successive regimes, Jože Mencinger, summarized in a 2010 interview the approach of hard-liners in Slovenia.

In the struggle against technocrats that took place during this period, other republics replaced many enterprise directors. In Slovenia, not much of this took place and it is thought that at the time, one person had been sacrificed, [Stane] Kavčič, so that other
technocrats would survive. This approach had shown itself as very advantageous especially Slovenia when it started the transition [in the 1990s]. Many of those [socialist-era] directors were very capable and, not infrequently, had founded the firms they led. Gorenje [durable goods], for example, had been created by [Ivan] Atelšek, [t]he same with Krka and Lek [pharmaceutical conglomerates].

The tight focus on technocratic elites suggests why disenrollment characterized Slovenia’s experience. Massive voluntary disenrollment arguably complements but a thorough disillusionment with the regime.

While in absolute terms, the decline in membership in 1972 appeared undramatic, in relative terms the decline easily compared with those observed in the two largest republics especially since the number of unregistered dropped to a mere 15 in 1972 (Figure 10). For a party whose membership shrank slightly but consistently through the 1960s --from some 71,000 to 66,000 over an eight year span-- a sudden decline to 63,000 members implied that a steady shedding rate of 400 fewer members per year ballooned to over 3,000 fewer, strong indication of excess exists in 1972. Like in Serbia, discretionary erasure and voluntary disenrollment accounted for most of the decline in membership, and the number of expelled had been higher in the preceding decade than during the purges.

Hard-liners noted that the liberal era led to the culling of conservatives from the party, and, coupled with the decline of peasants and proletarians, the party ceased being – revolutionary or, as socialist parties across Europe, even working-class. What Lenard Cohen accurately described as the “professionalization of the party” with a successful expansion of university-trained political elites, civil servants and jurists only partially captured a sea change, a two and half fold increase in number of new members. Some 60,000 new members joined annually throughout the 1960s whereas some 160,000 new members joined annually in the 1970s.

Further research promises to answer more precisely, which cadres exited the party in terms of gender, occupation and years of membership, and so more clearly detail the role of reformism in the exits. After the purges, then, entries into the party persistently exceeded exits from the party, and the decrease in membership fluctuations suggests one way in which the 1970s and 1980s differed from the 1950s and 1960s. The party clearly transformed from a revolutionary one to a mass organization, a process Kenneth Jowitt described as “inclusion and mobilization,” but the purges and membership drive quickened the otherwise powerful and gradual process, indeed a “cultural revolution,” though not of the “Leninist sense” that Stipe Šuvar publically urged and Edvard Kardelj caustically noted.

How Small Was Yugoslavia’s 1970s Small Cultural Revolution?

Katarina Sprehnjak and Tihomir Cipek note that, while during the reformers reign (1969-1971), nearly 1,500 convictions for political crimes occurred in Yugoslavia, in the first six months of 1972 alone convictions from Croatia numbers almost 2,300 from a total of 3,600. As the travails of professors evidenced, purging exhibited an internal momentum, even though Dusko Doder reported for the Washington Post in May 1974 that elites at the Tenth Congress spoke about the purges in the past tense. The differences with Stalinist purges in intensity and scope, then, belied a common social consequence of purging, called “the Stalinist self” in the Soviet context, where trust and reciprocity among colleagues become highly conditional on outside forces like the party line and its voluntaristic application by superiors. The purges remained small enough to prevent making reformers into martyrs (no Andrija Hebrang-style “suicides”)
but large enough to justify Edvard Kardelj’s and Stipe Šuvar’s macabre comparison to Mao’s still active Cultural Revolution.

As in states with real existing socialism, the party succeeded in re-staffing itself and, in this sense, “normalization” succeeded, whether imposed from outside (Czechoslovakia) or from within (Yugoslavia). A brief note on Macedonia underlines the point and the utility of a comparative approach for understanding the dynamics of purging. As Andrew Rossos judiciously surmised, “in 1974 Krste Crvenskovski (1921–2001), the relatively young Macedonian party leader, and his liberal, reform-minded advisers, Slavko Milosavlevski [Central Committee Secretary and sociology professor], Milan Nedkov, Tomislav Čokrevski, Dimitar Mirčev, and Čamuran Tachir, were thrown out of power. From then until multi-party elections in 1990, the League of Communists of Macedonia (SKM) was under the colorless, conservative disciples and followers of Lazar Koliševski." The removals came after political uncertainty subsided in the three republics, raising the intriguing question how Crvenkovski’s backer, Kiro Gligorov, survived. As an introduction to the dynamics of purging, Crvenskovski engaged in self-criticism unambiguously in January 1973, and in the process revealed the nefarious role of networking. At a lecture about the proposed Amendments at the University of Zagreb in the winter of 1970, he compared the role of Serbs in Croatia to that of Albanians and Turks in Macedonia. He characterized the comparison as imprecise in 1973 as part of his self-criticism – Serbs in Croatia counted as a constitutive nation while Tito made the agreement with Turkey for resettlement of ethnic Turks (Chapter 4). Yet in 1970 and 1971 the veterans association, the representatives of the Partisan generation, loudly protested what it perceived as an alliance between the nationalism of Miko Tripalo from Croatia and that of Krste Crvenskovski from Macedonia. The next iteration presents analysis that checks a 1990 claim by political scientist and influential advisor, Dr. Dimitar Minčev, about the horse-trading surrounding the number of resignations. Hard-liners wanted some 80 heads, but only some five resigned, prompting a “middle-option” of some 20 resignations among political elites, editors, scholars and other intellectuals. For now, Minčev’s assertion raises the question what kind of politicking explains the prevalence of expulsions in Croatia but erasures in Serbia and disenrollment in Slovenia.

First, a comparative analysis of the dynamics of purges suggests that the parties functioned relatively autonomously compared to centrally orchestrated Cominform purge, a clear distinction between Stalinist and self-managed purges. While Croatia’s party engaged in protracted self-criticism and attendant expiation, the party organizations in Serbia and Slovenia kept a thin veneer of normalcy, and could do so because of the 1964 party reforms that devolved power to republic-based party organizations. The Presidency of the Yugoslav party had the capacity and indeed exerted its influence more visibly in Croatia than in the other republics. In the case of Croatia, the highest civilian and army officials the Yugoslav Central Committee, the “veto players” (Chapter 1), voiced their opinion during the session of its Presidency just hours after Tito met Croatia’s delegation in Karadjordjevo. In the case of Serbia, the Presidency of the Yugoslav party had not participated in the proceedings so publicly: pro-Tito federal officials weighed in on the protracted “party active meeting” but all hailed from Serbia.

Tito’s presence, and, a neglected point, that of his confident, the hectoring Stane Dolanc, (the strategic cadre who represented the security apparatus that he eventually headed in the early 1980s), the helped create an impression that the proceedings had not remained “in house” – autonomy of entity parties hardly equaled independence. In the case of Slovenia, Tito had not even personally attended the event, nor, perhaps more surprisingly, had its main protagonist, Stane Kavčič, who merely sent a brief, even curt letter of resignation. Although from Slovenia,
Stane Dolanc attended only during the first day of the Central Committee meeting in Ljubljana, and thus the security apparatus remained far less visible than in Croatia, where generals criticized reformers. Like in the case of Macedonia, key reformers avoided pillorying.

Second, however they exited the party, purged officials overwhelmingly cooperated and resigned their posts. The hard-liners saved the harshest measures taken on those least prominent and those engaged in creation of non-party institutions (Vlado Gotovac and the Beehive in Croatia, Vojvodina liberal Milan Knežević committed suicide in 1979 after years of investigations). Since reformers in Slovenia and in Macedonia resigned without Tito’s personal presence, this arguably made the experience less scaring for the remaining political elites since reformers had not personally affronted the still undisputed father of the common state. Leaderships in Montenegro and Kosovo remained largely untouched, presumably because Tito perceived no threat from these elites, while in Bosnia several prominent resignations occurred, those of Avdo Humo and the economist Osman Karabegović.

The role of Yugoslavia’s arbiter in chief in the purges also shows why members exited the party differently in the three republics and raises a broader question. How had Tito’s leadership survived such a concerted opposition mounted by liberals mounted over several years? Marko Nikezić articulated the simple “political arithmetic” for supporting Croatia’s reformers, and revealed with his word choice Tito’s almost intangible authority:

We did not want the President [Tito] to again into the position of an arbiter. We thought that it would be much better for the events [Croatian Spring] to run their course, to come full circle. Let the Croats come to their own conclusions to eliminate the immoderate [social outbursts]. Those things that bother everyone in Yugoslavia for two years [since the Tenth Plenum in January 1970] cannot be useful for them. I think they [Croatia’s reformers] came to the same conclusion during our [joint] meeting in September [1972].

As long as other entities kept to the principle of non-interference in internal affairs, Tito had to wait until reformers had visibly decreasing control over society in Croatia. With student protests in Zagreb (November-December 1971), the Yugoslav party that included representatives of the understudied Army branch of the League of Communists, exerted overt influence over Croatia’s branch of the party. Expulsions and prosecutions signal that influence, exemplified by the sacking of some 20 generals, including Janko Bobetko, Zagreb’s Commander. The erasures in Serbia and disenrollment in Slovenia suggested that the security apparatus perceived a less overt threat to Tito’s rule.

The plausible prospect of military intervention in Croatia, the “taking of measures to prevent civil war” (Chapter 1), seems to be a key reason why Tito’s leadership survived the challenge that reformers posed, even at the price of his charisma. After all, procedurally, Tito’s supporters faced de facto opposition from a third of their colleagues sitting in the party’s Presidency session in Karadjordjevo, outright lost in the “voting” in Serbia’s political active, and took proactive conciliatory measures in Slovenia (all but three members of Stane Kavčič’s cabinet in the Executive Council continued to serve in their posts), while in the Vojvodina branch of the party settling of accounts had to wait almost a year as hard-liners secured control of the capital. Macedonia, the least studied case and one largely left for the next iteration of this project, underlined Tito’s weakness. Even though Slavko Milosavlevski rekindled the idea that got Milovan Đilas purged – some sort of quasi-competitive elections among party pre-approved varieties of socialism (Iran’s approach perhaps qualifies as the most recognizable contemporary equivalent) – Tito downplayed the affront and stated that few problems existed in Macedonia.
Still, if it ever came to imposing martial rule, only Tito had the legitimacy if not the authority to do so, something that Tito’s successors keenly realized circa 1990.

Self-criticism during marathon party meetings, such as the one in Osijek that lasted fourteen hours (described above) recalled heady Cominform days, yet on an ideological level Tito strained to define cogently the reformers’ aberrations of the party line, beyond permitting unacceptable nationalist outbursts across Croatia and permitting economic (market-based) principles to define self-management, instead of the other way around, in Serbia and Slovenia. Nationalism, to simplify, qualified as a greater offense than techno-managerialism. Thus, hard-liners expelled cadres in Croatia who permitted outbursts of nationalism as they practiced technomenagerialism, but “only” erased doyens of technocracy in Serbia and Slovenia. Put differently, if hard-liners opted to expel cadres in Slovenia, then cadres from Croatia, who deserved stiffer penalties because of their graver offenses, needed to serve jail terms, or worse.

With hindsight, Tito might have focused more on the content of policies that reformers in all entities failed to grasp as being “foreign to socialism,” and less on the forms of interaction among elites that helped spawn technocratic proclivities. Two punishable offenses against the party described these forms of interaction with convoluted accuracy as “groupism,” code for coalition building among reformers, and “leaderism,” code for permitting policy-making, in the cultural arena (e.g., “black wave” cinema) no less than in the economic, outside strict party control.\footnote{Compared to the approach during the Cominform purge, the purging that commenced in Karadjordjevo lacked the brutality but also the top-down aspect. Like the implementation of price changes or the development of the right propaganda message for economic émigrés, significant differences existed among republics in purging, consistent with greater (expulsion) or lesser (erasure or disenrollment) violations of the party line. Despite this absence of “cultural revolution”-methods, the purges nonetheless had profound consequences on society. One obvious effect included the abandonment of the stabilization program and thus the grand bargain implicit in reforms, and another, less researched effect included the dismantling of a network of relationships between reformers and thus the so-called social capital imbedded within the network.\footnote{The sheer size of the 2011 scholarly meeting commemorating the fortieth anniversary of Karadjordjevo organized by Zagreb University affirmed that the purges had a profound effect. Beyond the numbers, the differences in priorities, perhaps the least researched and most consequential part of the purges concerned what hard-liners perceived, and consequently punished, as “factionalism.” In Lenin and Stalin’s times, the charge counted among the gravest threats to democratic centralism. Here, what hard-line officials dubbed as factionalism among reformist politicians largely comprised of informal relationships that emerged among reformers, relationships that Božo Repe summarized in 1992:

Throughout the period of "liberalism" there existed serious conflicts between Serbian and Croatian politicians, so that closer cooperation was impossible. Moreover, the time intervals of the three “liberalisms” did not coincide (which facilitated the purges carried out by the conservative faction in the LCY). However, there existed closer links and occasional mutual support among the leading liberal politicians, at least in their attitude towards the more orthodox part of the federal government (contacts between the Serbs Latinka Perović and Marko Nikezić, Croats Savka Dabčević-Kučar and Miko Tripalo, Slovenes Stane Kavčič, Macedonians Krste Crvenkovski and Dr. Slavko Milosavlevski...}}
and others). Information, opinions and views on current events and general guidelines were also exchanged through interviews and articles in various magazines.

The visceral opposition of Partisan-era and Soviet-acculturated hard-liners to interactions among elites independent of strict party oversight, and the consequent strategy to destroy such interactions, points to a significant difference between the two camps and to one of the foundational tensions of Titoism. Its legitimating strategy had roots in reforming the Soviet approach, but the Soviet approach deeply influenced elites, including Tito and Kardelj, the two people whom Stalin and Molotov addressed in the fateful 27 March 1948 letter. Perhaps the strongest evidence for groupism or, in more neutral terms used here networking among reformers stemmed from hard-liners. The inquisitorial impulse of hard-liners, arguably another borrowing from Leninist political culture, strained to show the inter-connections among reformers. For hard-liners, the ceiling to reforms stood firmly at making policy proposals exclusively within the party. For them, that was a prerequisite.

Reformers accepted modest but independent initiative, such as speaking in a public forum in another entity, as a student deputy in the Slovenia’s Socialist Youth Alliance, Tone Reme, had done by conditionally supporting the student strike during a plenum of Students’ Alliance (Savez studenata) in Zagreb University on 22 November 1971. The willful destruction of so-called social capital created via these interactions received less attention from scholars and publicists than the rise of political elites who promulgated rapid backsliding on the economic stabilization program and thus the de facto end of the “big reform.” Thus, in offering an alternative accounting of the scope and scale of the purges, a clearer picture emerges of the reformers as forming an associational structure well beyond better known interest groups with their “crypto-politics” but distinct from social welfare or civil society ones with their “living in truth.”

Of course, as Božo Repe put it, “serious conflicts” marked debates on political, economic and national issues among reformers. Yet, so had some co-operation and respect of divergent views: Tito ultimately decided to publish his speech during the 21st Presidency Session of Yugoslavia’s Central Committee (1 and 2 December 1971) as the least uncertain way to communicate his criticism of Croatia’s leadership that at least 10 of the 29 speakers failed to echo during the Session. However minor the distinctions between reformers and hard-liners appear retrospectively, that a group of communists, with records of pre-revolutionary activity, war-time resistance and post-war regime building, tolerated some dissent qualified as the most salient difference between hard-liners and liberals for the fate of the 1965 big reforms, as well as a remarkable departure from Bolshevik-influenced political culture predominant across Yugoslavia. Indeed, additional research promises a clearer understanding of precisely who was purged and how and, perhaps least explored in current scholarship, the destruction of a nascent intra-party reformist network, and not merely the persecution of atomized party loyalists with pluralistic proclivities like Milovan Djilas.

Estimating the Scope of a Purge in a Post-Stalinist Context: Empirical Postscript

Adapting slightly the usual year-to-year estimated population equation:
\[ P_{t+1} = P_t + (B - D) + (I - E) \]
where \( B \) and \( D \) are births and deaths, respectively, and \( I \) and \( E \) are immigration and emigration, respectively. By analogy, the number of party members in a given year \( (P_{t+1}) \) equals the number of members from the previous year \( (P_t) \), plus the number of new members (En for Entries),
minus the number of members who died (D for deaths) and those who exited the party, either voluntarily or due to a sanction applied by the party (Ex for exits):

\[ P_{t+1} = P_t + En - (Ex + D). \]

Whereas the full line used figures provided by Yugoslavia’s censuses, the dotted line calculates \( P_{t+1} \), something not done comparatively for republics by earlier scholars.

Whatever the interpretation of the unregistered as a phenomenon and the attendant difficulty of knowing the number of true entries and true exists, compared with the 1973 membership drive or the 1968 Prague Spring a strong visual cue of a purge circa 1972 seems non-existent.\(^{638}\) One benefit of reconstruction fluctuations, then, is that it highlights the difficulty of conceptualizing of a purge as readily describable: a spike in exists, a peak conceivably compounded by a trough in entries due to fear of being purged. Visually, the most arresting cue preceded the purge, suggestive of a “purge” by liberals rather than one directed against them. In 1970, exits from the party, including those purged and dropped from the rolls (for instance, due to political inactivity) exceeded entries into the party. In fact, in 1972, the height of the purge, the difference between, on the one hand, new members and, on the other hand, those who left (due to being purged or voluntarily leaving) yields a comparatively small figure, some ten thousand out of a total membership of some 1.2 million.

Narrative evidence points to quick purging confined to a trimester in Slovenia and Macedonia, but to more drawn out processes in Croatia and Serbia. Resignations from the party started in the last trimester of 1972 (e.g., Marko Nikezić) and continued into the first trimester of 1974 (e.g., Nikola Petronić). Assuming the most active phase of purging lasted longer in Serbia, the approach based on excess exits during a twelve-month period likely leads to underestimating the numbers affected.\(^{639}\)

Rather than unduly fixating on 1973 and absent more detailed statistical evidence, a reasonable heuristic involves taking half the exits from 1972 and half from 1973 to arrive at an estimate for all of Serbia, a justifiable approach given that the key meeting in Vojvodina took place only on 15 June 1973 and that resignations trickled into 1974. The different start and end dates explain the slightly different figures in Columns 2 and 3 from Table 27 from those reported in Table 26 (but, the aggregate numbers in Column 4 do add up to more disaggregated ones in Figure 9).\(^{640}\) As an additional justification, the party produced a half-annual tally of new and exiting members that showed clearly that two-thirds of the exits in 1972 took place in the second half of the year (14,400 of 22,800).

Figures disaggregated by four macro-regions offered insights absent from estimates gleaned from joint censuses. Above all that sanctions, and by implication reformism and by implication “networking,” was more than just a “Belgrade story.” Official tallies recorded more dramatic fluctuations in Belgrade and central Serbia than in Vojvodina and Kosovo (Table 26). In Belgrade, expulsions peaked in 1972 and 1973, justification for combining the two years for purposes of comparing republics, and yet the figures underwhelm: 830 expelled in 1972 and 1973 versus 450 per year between 1968 and 1971. Some 7,000 discretionary erasures during the two purge years, compared to a mere 3,000 for the three prior years, accounted for bulk of the exits, as joint censuses revealed. On a smaller scale, the same seemed to have happened in “central” Serbia, for instance the party erased during 1972 over 5,100 members, a little less than half for the previous three years. The half-annual tally put all exits during the second half of 1972 at some 7,400, and fact that helps confirm that the 5,100 erasures for all of 1972 indeed represented an unusually high number consistent with a purge.\(^{642}\) By locating similar documents
in other republics, the next iteration of the project promises to reveal a more insightful view of purges.
Conclusion: “Well, what do we have, let us finish”

Tito closed the Karadjordjevo meeting at dawn on 1 December with the nearly inchoate phrase, “Well, what do we have, let us finish” (“No, na čemu smo, da završimo”). The meeting with Croatia’s leadership served as a pivot for this study of liberalism and liberal reformers. Like Tito’s sentence remained incomplete, so are many aspects of this project. This chapter summarizes the main findings, and points to various questions that the next iteration of this research project hopes to address.

One cluster of findings concerns the way Yugoslavia differed from the Soviet Union. The conceptualization offered builds on the idea that the Soviet Union was a communal apartment, with each nationality having its own room. Yugoslavia transformed during the 1960s into a tenancy (Chapter 2). Though the transformation began in the 1950s, liberals contributed to decentralization, or de-etatization, to use their favored term, and the public grievances expressed in the late 1960s and early 1970s offer a “point of entry” into what aspects of the common state they had wanted to change (Chapter 3). Regional development served as case study about how liberals wanted to change the way investment capital had been apportioned by the federal state, as well as economic emigration to the West, and how they accepted that self-management failed to solve the problem of unemployment (Chapters 4 and 5). The unintended consequences of 1960s reforms, including growing wage inequality as well as what hardliners perceived as nationalist outbursts, precipitated the purge of reformers in the early 1970s, a purge that effectively ended a promising phase where elites across the country engaged in contentious but constructive debates aimed at making self-management function better (Chapter 6).

**Keywords from the Chapters**

Ethno-Federalism in the Soviet Communal Apartment and Yugoslav Tenancy

Why had failed economic reforms in late 1950s Soviet Union and in late 1960s Czechoslovakia led to political recentralization, or the “treadmill” of reforms, while economic failure led to further decentralization in 1960s Yugoslavia? The three sequential developments within Yugoslavia’s first decade of socialist federalism – Partisan resistance (1941-1945), the first wedge between the Superpowers (after 1948), and the emergence of self-management (after 1950) – opened the window for innovative approaches to the distribution of scarce resources, the issue at the heart of economic reforms. Yet, these same developments also failed to close the door on nationalist ideologies according to which political co-existence was inseparable from economic exploitation.

The Partisan struggle based on regional resistance movements (nascent republics) spliced decentralization in the “DNA” of socialist Yugoslavia. The Partisan bargain – codified in the 1943 AVNOJ documents, essentially the founding documents of the second common state – was both a neglected source of innovative policies and a tragic flaw. It enshrined maximum local self-rule conditional on minimizing internal and external security threats to socialist revolutionaries; this created a strong internal driver for a weak civilian side that strengthened the security apparatus by default. From the early 1950s, the resources from the Superpowers helped fund a type of political decentralization with this peculiar set of checks and balances.643
The checks on federal authority aimed at obstructing a “hegemonic clique” – whether national (Serb), ideological (Stalinist) or, worse, both. The civilian side of the federation remained Lilliputian compared to the Leviathan that was Tito and his security apparatus – as the case of emigration showed, no centralized authority coordinated departures. The security apparatus included the army, the intelligence services but also strategic enterprises, like arms manufacturing, Belgrade-based import-export enterprises like Genex (1952) which cleared a quarter of all trade with the US and banks such as Jugobanka (Yugoslav Bank for Foreign Trade, 1956). Yet, republics devised levers to balance each other’s influence.

The Introduction showed the end of the federal Soviet-style ministerial system and the emergence of a weaker central government structure, the Federal Executive Council, in the early 1950s. An absence of a centralized educational institution or an insurance pool for health and disability meant that republics had discernible autonomy in the social sphere, and by the early 1970s had their own, republic- and province-based financial institutions, as well as their own Territorial Guard. The purge of the security czar in 1966, Aleksandar Ranković, weakened his ubiquitous network. Thus, some fifteen years after the break with Stalin, parties based in republics – Serbia, unlike Russia or the Czech Republic after 1968, had its own party as opposed to being spliced into the federal, Soviet that is Czechoslovak Party – gained discretion over their cadre policy, something unimaginable in the Soviet sphere.

In contrast to the Soviet case, with its treadmill of reform, once economic reforms failed in Yugoslavia more decentralization followed in the 1960s. The 1961 and 1965 reforms led to more fiscal federalism and the practice of “usaglašavanje,” or unanimity, on all significant legislation. One prominent legal scholar from Serbia called this provision of the 1971 amendments to the 1963 Constitution a “back-door veto.” Yet, warnings from Jovan Djordjević and others had no effect and highlight the difference between the Soviet and Yugoslav case.

The conceptualization offered to account for this difference does not adequately explain or model ethno-federalism, to invoke Viktor Zaslavsky. But the conceptualization suggests why the Soviet Union remained, in Yuri Slezkine’s words, a communal apartment (one party giving a room for each nationality) but Yugoslavia transitioned by the early 1960s into a tenancy (local parties in charge of their apartments). The intuition comes from an analogy to the trilemma in macroeconomics. A country can have at most two of the following three policies: a fixed exchange rate (influencing the price of its imports and exports), independent domestically-oriented monetary policy (influencing the interest rate and thus the incentive to borrow or save), and the free flow of capital across borders. In the Soviet case, Stalinism solved the national question and established the hegemony of the party, but this limited the scope of economic reforms. During the reign of Nikita Khrushchev, liberalizing reforms led to “localism” caused by the introduction of regional economic councils in the late 1950s ("sovarkhozy"), and were abandoned. A Soviet invasion in 1968 ended the New Economic Model introduced in Czechoslovakia in the mid-1960s.

The trilemma helps explain why the Soviets recentralized and why, despite importing Soviet blueprints, Yugoslavia had not. Soviets had an insulated, if not a closed society and economy and this simplified recentralization. Briefly, the fragility of a diverse alliance between Yugoslavia’s Partisan elites increased the hypersensitivity of the triangulation, or balancing, involved in economic modernization via authoritarian politics in a socio-culturally diverse common state. Thus, potentially centripetal forces, like access to foreign currency and Western expertise, could also turn into centrifugal ones – for example, how much of that currency trickled to republics and how much to municipalities? The other two socialist federations, the Soviet
Union and Czechoslovakia (after 1968), had top-down political hierarchy, a complimentary relationship between pre-socialist ethnic and socialist-era identities, and economies based on very restricted private property and contacts with the West. Yugoslavia, by contrast, revealed that as triangulation turned a triple bind, a relative co-equality of political, economic, and national spheres emerged within a nominally socialist system where the political sphere typically subordinated the economic and national spheres.

The changing place of Yugoslavs compared to the more fixed or uncontroversial place of Soviets in nationality policy merits further research and highlights a factor that distinguished Yugoslavia from the Soviet Union and arguably other federations during the Cold War. In the early 1950s, Tito spoke of a unified Yugoslav nation, akin to Americans; by the late 1950s Yugoslavism became a socialist supplement to ethnic identities. Yet by the mid-1960s, Yugoslavs appeared as a potentially threatening substitute for ethnic identities and by the 1970s, Yugoslavs became a “national affiliation.” To the extent a Yugoslav identity emerged, it had done so despite, or because of, the benign neglect of the federal regime after the 1970s purges. The experience of the first Yugoslavization, largely glossed over here, also made it difficult to equate Yugoslavs, however modest their numbers, with anational Soviets.

The Stalinist experience left less uncertain that Soviets remained anational and complementary to ethnic identities. Being Soviet did not serve as a substitute to being Ukrainian. Being more Yugoslav, however, did present a plausible substitute for being Macedonian and even more for being Croat, something that the Novi Sad Agreement (1954) about a common Croato-Serbian, that is Serbo-Croatian, language intimated and that the 1967 Declaration on the Status and Name of the Croatian Literary Language articulated. Thinking in terms of complements and substitutes suggests why the miniscule number of supranational Yugoslavs raised anxieties expressed in the Pirjevec-Ćosić debate (1961-1962) and the Croatian language debates (late 1960s): those 300,000 people could grow exponentially, changing the ethnic composition of regions, as seemed to be happening in Vojvodina, and thus change substantially one side of the policy triangle.

By the early 1960s, remittances from economic émigrés, complicated internal politics perhaps in a way that revenue from selling gas and oil played in the Soviet sphere after 1973. These Soviet revenues maintained an inefficient economy, keeping the political system based on ethnic republics afloat but raising the question of how much oil revenue goes to which republic and how much to dependencies in Eastern Europe.

The similarity between so-called oil rents in the Soviet sphere and émigré remittances merits closer analysis. Suffice it to note here that the Soviets kept the communal apartment running during the critical decade of the 1970s, when the post-World War II era of economic growth ended and destabilizing macroeconomic phenomena, like double-digit inflation and unemployment, recurred in the West. In the Yugoslav case, the tenants, the six republics and two provinces, made decisive gains at the expense of the federal center and balancing led to a triple bind – a change in one area had paralyzing results in the other two. As the description of the Karadjordjevo meeting attempted to capture, nationalist outbursts about the currency regime justified a purge in Croatia in 1971.

There are many problems with the conceptualization, for instance, how does the case of Czechoslovakia fit in and why had communal apartments dissolved peacefully but the Yugoslav tenancy dissolved so violently. For now the focus is on the 1960s reforms. In addition to their central but understudied place within Yugoslav history, the 1960s economic reforms have broader implications. The reforms belong to a cluster of innovative peripheral policies like non-
alignment in diplomacy and self-management itself. The reforms came closest to outlining a viable platform for a transition from plan-based socialism to more confederal arrangements with open markets for goods and services, but not for financial capital. That said, little evidence exists that reformers accepted the coupling of open markets and competitive democracy that emerged in the 1990s across Eastern Europe. What had reformers envisioned, if not a free-market democracy? A social market autocracy within their republic seems to have been the direction, as the grievances expressed between the late 1960s and their purge suggested.

A Reformist Grand Bargain? Clean Accounts Internally and Neutrality Internationally

Access to Western grants and markets distinguished Yugoslavia from abutting socialist societies by the early 1950s. The absence of Soviet occupation enabled this, and such favorable initial conditions could have contributed to political cohesion (internal unity to maximize benefits from abroad). More than laws, which elites changed comparatively easily, grievances seemed an insightful focus of analysis. First, the 1969 “roads affair” in Slovenia showed how quickly public protests over loans from the World Bank spread across the republic. Next, in 1970 and 1971, public protests across Croatia featured many gripes, among them the foreign currency regime that undervalued local tourism earnings and remittances (discussed in Chapter 5). Third, in Serbia a contentious debate erupted about amendments proposed in 1971 for the 1963 Constitution. Several professors received jail sentences for criticizing decentralization as leading to disintegration of the country, for example.

Apart from a competitive, as opposed to a collaborative, approach to Western resources, politically and socially, even more destructive than in-fighting between republican elites for Western capital was the in-fighting over remittances from émigrés, a significant source of revenue publically recognized by Rudolf Bićanić as early as 1966.646 With development capital, a republic or province might feel it got less than its fair share due to exploitive federal policy; with remittances, a community and indeed a household might feel that it got less than its fair share. The potential for economists to contribute to narratives of ethnically-based exploitation (Šime Djodan), or mutually beneficial cooperation (Branko Horvat) merits additional research in a field dominated by studies about the contributions of literati to the genre of ancient ethnic hatreds.

Yugoslavia benefited in the short-term from Western funding. The promise of the liberal reforms explained only partially Western largess – the World Bank continued lending after the purges. Archival records confirm that the IMF and other lenders, both private banks and Western governments, had postponed and rewritten the terms of their loans because of the 1965 market reforms.647 The role of Western and especially US Cold War policies may be a better explanation of why Yugoslavia received such favorable treatment – from substantial military and food aid, the US “kept Tito afloat” in the 1950s, through financial institutions like the ExIm Bank, where Yugoslavia remained a top beneficiary from the 1960s on.648 Yet, unlike the rest of Europe’s “southern periphery,” including Greece and Turkey, Yugoslavia had not benefited from the long-term dividends of the Marshall Plan-era institutional structure, the so-called international liberal order (ILO).649 In resigning his post as Ambassador to Yugoslavia in 1963, George Kennan wrote what may be called his second telegram – the first being the seminal assessment of Soviet behavior. Economic assistance indeed furthered economic growth conducive to maintaining political stability via maintaining consumption levels.
but not necessarily economic development conducive to fostering prosperity – “socialism on American wheat,” as Tvrtko Jakovina incisively noted in a recent study. \(^{650}\)

Such political foreign loans and grants in turn increased domestic expectations of raising living standards, expectations amplified by normalized relations with the Soviets and growing access to newly independent states the world over – after all, Tito chided Slovenia’s Stane Kavčič in 1969 for “fighting over dollars” in front of the West, the Soviets and the Non-Aligned. Ironically, just a few years hence, so-called petro-dollars from oil-producing nations made borrowing cheap and liberals’ decentralization of banking made borrowing easier. With petro-dollars, the interplay between expectations and foreign credit resulted in a quintupling of debt from $3.4 billion in 1972 to $18.8 billion in 1985. During the 1970s, an inversion of sources from the public to the private sectors (73% public in 1968 down to 20.3% in 1982), and a doubling of interest rates demanded by creditors (on average, 6.7% in 1972 to 13.8% in 1982) made Yugoslavia a “highly indebted nation.”\(^{651}\)

Stephen Kotkin argued in his essay, “Kiss of Debt,” that a number of countries in Easter Europe, and Poland especially, borrowed heavily in the 1970s. Yet, Yugoslavia set the precedent, highlighting just how thoroughly a socialist economy moved in the 1960s from a closed system where labor supply limited industrial output, as Wassily Leontief showed, to an open system, where some of the inputs to production came from outside the country.\(^{652}\) On the macro-level, unlike some other highly indebted nations like Mexico or Argentina, Yugoslavia had not defaulted on its loans (foreign creditors lose) but it devalued its currency repeatedly (importers lose), an examination left for the next iteration of this project with the focus here on short-term consequences of “political” loans where the wedge status militated against default.

While scholars outlined the grievances, few outlined concerted if limited ameliorative measures taken by the federal government. For one thing, the regime actively sought Western grants. Jakov Blažević, the President of Croatia’s Sabor, asserted in February 1971, “there isn’t a country in the world, there isn’t a country wealthier [than Yugoslavia] in the world that has charged [“naplatila”] such a high price for all those who fought for freedom, there isn’t a country that has charged more than the Socialist Federal Republic of Yugoslavia and that even today continues to bill.” He left vague from whom the common state sought reimbursement or compensation, the Axis, the Allies, or perhaps both, but hinting strongly which domestic constituency continues to complain. “Who is dissatisfied? Those who have billed the most are the most dissatisfied – those who have pensions and jobs, those who have become quite provincial, even petty-bourgeois given how much property they have amassed, those whose mood and relationship to the future of our revolutionary struggle has become increasingly conservative and primitive, even reactionary. I am speaking about this today so we do not forget what we are fighting for and defending.”\(^{655}\)

By the time of the purges, entities had a greater role in nominating projects financed by the World Bank and in seeking commercial loans, substantial ameliorative measures undertaken by a veritably reformist cadre from Slovenia, Janko Smole as the federal Secretary of Finance.\(^{654}\)

As for the currency regime, the apportionment of remittances changed after Karadjorjdevo, another ameliorative measure, even if the federal apparatus adjusted quotas based on a fairer formula than the one based on incomplete migration data from municipalities, the larger point remained. Sabrina Ramet summarized the corrective actions. “Export firms were allowed to retain 20% of foreign exchange earnings instead of 7 to 12% previously, and tourist enterprises were permitted to retain 45% of their earnings, instead of 12%. In addition, the dinar was devalued (by 18.7%) for the second time in a year, boosting the value of Croatia’s foreign
currency earnings and complicating the importation of goods and materials into less developed areas in Serbia, Montenegro, and Macedonia.” The broader point, however, is an accounting of “who exploited whom.” The evocative phrase of Ljubomir Madžar, a leading Belgrade economist, awaits its economic historian. Simplified or stylized assessment of the past help make the present less “masterable,” a point discussed below and especially relevant when describing the rule of strategic cadres, the “exploiters” and their foils alike.

Several studies about cadres and the so-called socialist pyramid they constituted detail the evolution of strategic elites who bargained over foreign financed projects, revised the mechanism for distributing currency to enterprises, designed new voting procedures for laws and so on. Archives permit a heretofore-impossible confirmation that federal strategic elites remained modest in number and that the party tracked them based primarily on their territorial affiliation, leaving no space for a supra-regional one and, by implication, far less space for the emergence of a supra-national identity.

Ranković’s 1963 conclusion about the unfavorable “republican composition,” captured a number of features of Yugo-federalism, beyond the apparent under-representation of some republics – provinces had not yet gained significant prerogatives – and the apparent modesty of the ranks of federal strategic cadres. For one thing, a de facto trade-off existed between federal- and republic-level cadres. The republics had to plan for cadres needed by the federation and “pay greater attention to the quality and capabilities of cadres proposed for specific posts in the federal administration and institutions and leadership positions in socio-political organizations.”

For another thing, the relatively modest numbers of all employees working in strategic socio-political institutions in the early 1960s, functionaries and office workers all together estimated at just above a thousand in the early 1960s, indirectly confirmed the “small” size otherwise powerful institutions. Some 100 people worked in the federal offices of the Socialist Alliance and some 250 for the Alliance of Syndicates.

Ambitiousness of reform designs therefore revealed the capacity of the federal elites to articulate a forward-looking agenda, yet this served as an unreliable signal of the capacity of the federal civilian apparatus to affect change at the municipal and enterprise level. Given the AVNOJ bargain and the Partisan elites’ commitment to decentralization of civilian institutions, how powerful was the Federal Executive Council (1969-1971), the institution nominally above the Executive Councils of the republics? Prinčić and Borak argued that Mitja Ribičič, President of the Federal Executive Council and one of the most powerful cadres from Slovenia, had not pushed the reform agenda on account of his hardline commitments. They look at sources available in Slovenia, but from the Federal Executive’s point of view, things looked a bit different. Even if Mitja Ribičič wanted to implement the reform agenda more “pro-actively,” real limits existed to such top-down initiatives. Beyond the usual, ubiquitous limit to central authority, what Jeffrey Pressman and Aaron Wildavsky called “How Great Expectations in Washington Are Dashed in Oakland,” the example of bread prices in 1965 suggests this limit on civilian central authority.

Perhaps as significant as their content – captured by gripes expressed more (Slovenian and Croatia) or less (Serbia) publicly – the implementation of reforms revealed a simple fact. Elites had greater success in changing the legal superstructure – 1960s reforms begat 1970 amendments that begat the 1974 Constitution – than enforcing bread prices. For this reason, the focus remained in the chapters on the discussions among elites, not on laws.

To begin with, whether of a reformist or hardline, moderate or pragmatic provenance, elites in 1960s Yugoslavia “thought socialist.” The party naturally monopolizes power, the state
naturally controls the commanding heights, and public policies naturally privilege workers' interests. While elites rarely expressed dogmatic Marxism-Leninism during their discussions, socialist ideology informed the floors and ceilings of permissible debate. Clean accounts, one rhetorical innovation used by reforms, encapsulated the internal, domestic side of what now appears like a grand bargain, to use a decidedly Western rhetorical device that builds on the AVNOJ bargain.662 Grand or not, the understanding among reformers seemed to have had three components. First, consistent with the Partisan bargain, reformers started with republics, but also included provinces in their thinking, a significant innovation. In 1963, Kosovo became an Autonomous Province and, in 1971, both Kosovo and Vojvodina gained de facto veto powers over federal legislation.

Second, entities achieved something like property rights over earnings that had been achieved via the price mechanism more than at any time since the war. For instance, with the passage of amendments in 1971, nearly half of the federal budget depended on funds paid into its coffer from republics, with import duties comprising a somewhat smaller share – the funding of common functions, including defense, depended on the republics and provinces, whereas the federation alone passed all finance-related laws until 1956.663 With the 1965 reform laws, enterprises no longer paid income tax, the tax on their working capital reduced by a third (from 6% to 4%), and the turnover tax became a sales tax levied on consumers.664 Third, with the greater gains from exchange based on comparative advantage, reformers sought to legitimize their take on the third way and finance its protection (security apparatus). The system of territorial guards headquartered in each entity emerged circa 1968, and while an affair erupted over inquiries from Slovenia’s reformist elites in France about the purchase of arms for Slovenia circa 1969, territorial defense represented a significant innovation.665

Turning from the domestic to the international sphere, the innovation reforms pushed for, and rejected by hard-liners, concerned Yugoslavia’s geopolitical status. In the eyes of Tito and of the hard-liners, reformers dangerously destabilized the country via the lever of international economic integration. Specifically, their proposals for what hard-liners like Edvard Kardelj dismissed as people’s capitalism during the 1970s purges. Such integration promised to turn Yugoslavia into a neutral country or to move it away from the geopolitical wedge status, a line of inquiry left for the next iteration of this project. Suffice it to note here, reformers wanted trade with Portugal and the European Community, not arms deals with Angola. Thus, more than the 1950s with self-management and 1970s with all firms engaged in associational socialism, the 1960s liberalism justified the common inclusion of Yugoslavia in the group of so-called newly industrializing countries (NICs), a term coined by the Organization for Economic Cooperation and Development (OECD) in the late 1970s.666 The severe restrictions on property rights limited the usefulness of the comparison with so-called Asian Tigers for the federation as a whole, but not necessarily for Slovenia (an Alpine Tiger?), another point left for future research but a useful proposition that highlights the significance of clean accounts to reformers and the attraction of neutrality.

Regional Development and Productivist Justice

The third priority of reformers, in addition to financial transparency and a pro-growth foreign policy concerned apportioning resources for the needs of the common state. Regional development showed an unusually evident, even opportunistic, use of Marxism to minimize
transfers from richer to poorer regions, and that the Partisan bargain served to counter such moves by reformers.

The clearest distinction between Western and Eastern provision of social services emerged from Rudolf Bićanić in his 1966 article explaining the big reforms (Reform, as he denoted) in *Foreign Affairs.*

The concept greatly differs from that of the welfare state. The essence of the welfare state is to leave the production machine capitalist, with some marginal intervention in the public sector, and, by state taxation, to redistribute the income taken from the richer to the poorer consumers. The Reform in Yugoslavia denies this role of redistribution to the state (even to a socialist one) and endeavors to organize production on the basis of workers' self-management, in order to eliminate the roots of exploitation of man by man through income redistribution. It leaves decisions on income distribution to the workers who produce the income (on enterprise, local, regional, state and international levels), but takes the world level of productivity as the objective measurement.

Productivist justice stipulated redistribution of the means of production, a somewhat neglected area of agreement among elites rooted in Marxist theory. The redistribution of the means of production in Soviet type regimes led to a distinct pattern of social spending geared toward maximizing employment (low pensions but maternity benefits). Yugoslavia followed this Soviet model, but as disparity in income grew among republics in the 1960s, differences in wages between regions increased. Wealthier firms and federal entities required assurances that their transfers actually increased productivity, not current consumption for less productive firms and poorer regions. The 1960s liberal reformers attempted to make such assurances via institutional reforms based on decentralization.

The prime example was a special fund for regional economic development, where representatives from all republics decided which development projects to fund in poorer republics, a decision that a classic centralized agency made before 1965, as its name revealed, the General Investment Fund. However, liberals effectively placed decentralization, a sui-generis goal, above the equalization of productive capacities, a recognizably socialist goal, with the unintended consequence of shaking the bargain between poorer regions that contributed to WWII disproportionately (Bosnian and Montenegro) and those that made territorial and other gains because of the Partisan victory. Further research will show whether, during the 1960s, reformers wanted to move away from productivist justice in their own sphere or republic, and closer to the Scandinavian model of high-benefit provision, or welfare, while at the same time keeping to productivist justice for the federation, which meant for the poorer regions.

Economic Emigration and Yugoslavia’s Dual Track Approach to Reforms

As with regional development funds, the constitutive elements of the party’s approach on emigration reflected the arrangements of revolutionary Partisan elites struck in World War II. The Partisan bargain stipulated maximizing local self-rule while minimizing the security risks to the party’s political-economic hegemony. The bargain shaped the party’s approach far more than international factors, and in turn, the bargain shaped the handling of the economic, socio-national and political concerns raised by emigration within the Titoist system.

In the immediate post-war years, the regime considered political émigrés as quislings and economic ones as critical sources of convertible currency. With the emergence of large-scale
economic emigration, émigrés formed a de facto seventh republic, a term memorably used by a Croatian diplomat in the mid-1950s, when Yugoslavia had six constituent republics. Since socialism promised prosperity, including the end of unemployment, the federal regime officially described the process as “temporary employment abroad” in the early 1960s, and, by the early 1970s, closed debates reveal that the regime considered emigration as a permanent phenomenon (which showed the limits of socialist prosperity). By the 1980s, émigrés became supporters of more openly nationalist and certainly anti-Yugoslav forces, especially in Croatia but also Slovenia and Serbia.

Analysis of little used archival sources reveals that, from its inception, the federal regime saw émigrés as an economic resource and keenly tracked the ethno-geographic composition of émigrés (economic and political), and yet the institutional structure in place to deal with such a strategic issue revealed the costs of devolving political power. From one point of view, the absence of any meaningful coordination among republics about emigration meant that republics competed against each other on the Western European labor market. From another point of view each republic devised policies broadly independent of the federal center and of each other, which gave credulity to notions of republic-based sovereignty, all of which contrasts with the models based on stricter centralized oversight devised by other sending countries, for example something that Morocco managed to develop.668

International factors of course influenced the regime’s approach. To facilitate emigration, the regime normalized relations, and decreased politically hypersensitive reparations demands from West Germany (1968-1973).669 Nonetheless, despite repeated, consistent attempts and the administrative capacity to do so, a centralized civilian agency never emerged to coordinate economic emigration – the coercive apparatus, by contrast, tracked carefully “political emigration.” Instead, republics and municipalities placed about half of the economic émigrés. The rest did so either alone, with the help of their kin and local networks, or the semi-legal intermediaries. This process was preconditioned on the liberal passport regime (1963) and a pragmatic, non-ideological approach that party elites began articulating in the mid-1950s. The Federal Executive passed the Law on the Basic Conditions for Temporary Employment (June 1973), codifying a decentralized approach. As Zagreb University’s Ivo Baučić, the preeminent scholar of migration, noted, “The most significant provision of the Law is the obligation of Republics and autonomous Provinces of Yugoslavia to reach an Agreement expressing the foundations and conditions for organized employment of Yugoslav citizens abroad and for their return from temporary employment abroad.”670 A reader might be forgiven for reading “temporary” as permanent.

Indeed, in what now seems excessively ironic, federal legislation permitted émigrés to invest hard currency in socially owned enterprises in exchange for: jobs.671 The first such enterprises opened in Croatia, namely a textile plant in Imotski in 1973 and plastics plant in Metković in 1974, not least due to the close cooperation between municipal governments and the Zagreb-based bank with émigrés. The emigration rates in these localities, among the ethnically most homogenous (by the 1971 Census, Croats comprised in excess of 98% of the population), exceeded the Yugoslav average by two- or three-fold. This signaled a fuller reintegration into the body politic and its economic base, a sign that the reformist turn of self-management qualified as bankrupt for hard-liners – “dad, buy me a job,” read one 1976 headline – and as capable of creative adaptation for reformers.672

Despite the recondite language that outlined the adaptive and pragmatic conceptual stretching with regard to export of labor, the integration of self-managing socialism into the
global capital markets never took place. This distinguished Yugoslavia from both the so-called Asian tigers and from Europe’s southern periphery, and thus clearly outlined the limits, and limitedness, of reform socialism. Thus, Yugoslavia’s dual track approach, unlike China’s subsequent and better known one, involved a market-based or liberal track for labor and another, ideologically-constrained track for capital.

By the era’s standards, the labor track resembled a bullet train, the capital one a steam locomotive. Since both tracks ran the length of the country, unlike in China where strict rules, closely supervised by centralized political authority, separated fast from slow tracks, the critical junctions where they intersected revealed the dangers of an institutional architecture based on decentralization. The absence of a centralized institution to coordinate economic emigration thus speaks to the need for, and obstacles to a political consensus in deeply divided societies such as Yugoslavia. As a cautionary tale, the same seems applicable to other divided sending countries, and all the more so in an era of greater capital mobility than had been the case during the Cold War.

The metaphor of an incipient dual track merits further research and raises the broader issue of how reforms emerge in relatively more labor-abundant countries compared to natural resource abundant countries, like the oil rich states. The so-called resource curse, where a commodity brings huge earnings that are the subject of competition, not cooperation, among political elites, may be insightfully applied to remittances in 1960s Yugoslavia, and perhaps to other ethnically polarized sending countries that contribute to what has recently been described as super-diversity of the receiving countries.673

Purging Informal Groups and Nascent Networking

Hard-liners ended reformism by purging reforms (1971-1974) and thus ended a little studied case of nascent networking among reformers, interactions among elites outside party-established practices (“factionalism” in official speak). Sanctions differed across republics and contributed to post-purge divergence of trajectories: expulsions of reformers contributed to creating a nationally oriented (but not anti-socialist) counter-elite in Croatia, discretionary erasure delegitimized a multi-ethnic “counter-elite” in Serbia and voluntary disenrollment solidified accommodation between hardline and reformist elites in Slovenia. The distinctness of outcomes, largely glossed over in current scholarship, suggests the significance of reconstructing purges, from the seemingly simple quantitative issue of how many cadres the purges affected to describing purging and its consequences for Edvard Kardelj’s “associational” socialism with an inadequate Stalinist lexicon (no executions after self-criticism).

Archival sources reveal similar practices (e.g., Central Committee sessions “unmasking ideological errors”) but different approaches to purging. According to party censuses, expulsions predominated in Croatia, erasures in Serbia and disenrollment in Slovenia. Yet, the fluctuations in membership show the difficulty of estimating the size of the reformist hard-core and “fellow traveler” supporters and party censuses. In terms of intensity, public sanctions for political elites bifurcate into expulsions and early retirement for the hard-core, and warnings and demotions for fellow travelers, but intellectual ringleaders and students suffer harsher measures including criminal proceedings and jail terms, especially for those associated with the Croatian Spring. Enterprise directors and editors in media get demotion or dismissal (the security apparatus evidently acted harsher with second- and third-tier cadres). In terms of duration, purging seems
to have been faster and more focused in Slovenia and Macedonia, and slower and more extensive in Croatia and Serbia (Table 28).

Further research will contend with the apparent truth that any estimates of the purge must take into account the part of the membership an official publication in 1978 described as “‘lost’” (“’izgubljeno’”) and, in the 1980s, a sociologist from Croatia dubbed as the “unregistered”. Censuses make legible, in James Sheehan words, but do not account for why some 250,000 members “exited” the party (voluntarily or otherwise) between the late 1960s and early 1980s. If the unregistered highlight the error involved in any estimate of the true number of purged, or, for that matter, of practically every category tracked by the censuses (age, gender, nationality, occupation), they also raise a broader question, of ”who were the unregistered”? What kind of party looses track of a quarter million members within a decade or so? A rather decentralized one, as Leninists parties went.

The unregistered and the absence of precision at the micro level in the record keeping among its ranks points a broader trend and an organizing theme of this project, decentralization. One difficulty of looking too closely at the purges concerns a peculiarity of decentralizing party reforms (March 1967) associated with the Ninth Congress of the League of Communists of Yugoslavia. Before decentralization, each Congress took place in a different republic (or abroad) while after decentralization each party devised its positions and bargained to a unified stance among each other during a multi-day meeting in Belgrade. The focus on local capacity, and thus on local agency, provides a point of departure for further research.

Purge proceedings underlined the differences among republics. Croatia’s party required first a meeting with Tito (Chapter 1). In the case of Serbia, nearly a week of bargaining still failed to deliver a summation or closing statement, unlike in Croatia and Slovenia. In a technical sense, the hard-liners “lost” in Serbia, while in practical terms the reformers’ resignations showed that Tito coerced his way to an outcome that his charisma ought to have guaranteed. Slovenia’s purge proceeding covered a mere 198 typed pages, barely half the length of the Karadjordjevo transcripts or those from the political active meeting with 51 speakers in Belgrade.

The mechanism at work in all republics involved resignation letters. While none of the leaders made a stand like Nikolai Bukharin, an Aesopian tone characterized the resignations and actions. In this regard, Miko Tripalo’s and Stane Kavlč’s resignation “in absentia” stood out – for eschewing public and profuse self-criticism, a “privilege” hard-liners denied most reformers, especially those from outside the capital (Sisak, Niš). In Croatia, an immediate and extensive review took place, with key party cells effectively submitting a loyalty oath in writing, while in Serbia the purging progressed more slowly and hard-line elites seemed to have confirmed, personally and during marathon meetings, loyalty of key cells. In contrast with the very public part of the process in both Croatia and Serbia that included “conversations” with Tito, in Slovenia and Macedonia Tito had not spoken publicly with wrongheaded elites.

This round of research presents only aggregate estimates, leaving a more appropriate and detailed analysis for the next (for instance, taking into account gender, age and social structure apart from nationality issues). Based on a reasonable assumption that four different categories of exit from the party – expulsion, erasure, disenrollment, and death – captured distinct phenomena, the censuses suggested a conservative tally that meshed well with Miko Tripalo’s figures from 1989 of five thousand directly affected in Croatia. Not counting those outside the party, the party outright expelled some thousand members, erased at least another two while at least some three hundred members left voluntarily in 1972.
The case of Serbia and Slovenia pose more questions than Croatia, where the hard-liners outright expelled reformers. Discretionary erasures, especially in Belgrade and “central” Serbia, seemed to have peaked in 1972, while in Slovenia, the party with the fewest “unregistered,” voluntary disenrollment peaked in 1972. Back of the envelope estimates suggest some 5,000 excess exits in Serbia and an astounding 3,000 in Slovenia (the next iteration of this period will also examine Macedonia). On balance, then, the numbers of directly affected numbered in the thousands, but not tens of thousands per republic.

The differences in socioeconomic initial conditions present in Slovenia, Croatia and Serbia coupled with the differences in the mechanics of the purging process itself – a disproportionate number of expulsions versus disenrollment – that together point to the different consequences of the purges for the three republics. The purges, outlined in the chapter’s second section, and the retreat from reformism, outlined briefly in the third, helped create a nationally oriented counter-elite in Croatia, removed a socialist multi-national “counter-elite” across Serbia, and solidified, even codified the accommodation among more hard-line and more reform-oriented elites in Slovenia.

Outlined clearly in the September 1972 open letter co-signed by Tito and Stane Dolanc, the personification of the security apparatus hard-liner, the strategy to expand membership also appeared in the Cadre Commission’s call for the “elimination of informal groups.” Increasing vastly the size of the party offered the second-best solution for dissolving the liberals’ influence and created a constituency dependant on new local leaders. In the decade after the September 1972 Tito-Stane Dolanc letter that announced the need for ideological action, the party doubled in size, from one to two million members. While in 1968 nearly 8.5% of the population belonged to the party (14.3% of the male and 3.1% of the female population), by 1980 13.1% qualified as party members (an impressive 20.1% of the male and 6.5% of the female population). Who were these cadres? The purge opened the window (and door) into the study of the emergence of a “new-new class” shaped by Edvard Kardelj’s self-management after the party’s Tenth Congress (May 1974) and raises a question about the transformation of the new-new class into the “elites of destruction.” Before addressing this issue, one that ties the reformers to the disintegration of the common state, what follows next are a few observations on the medium-term effects of the purges on Yugoslavia and on the broader implications of reformism to setting outside socialist Yugoslavia.

In other words, if, as existing research amply demonstrates, the purges ended the most creative reforms of socialism attempted certainly before the late 1970s dual-track reforms ushered during Deng Xiaoping’s leadership, what was the significance of the purges for Yugoslavia apart from the abandonment of reforms?

In the medium-term, triangulation continued within a policy space more susceptible to the triple bind given the emergence of both a new nation, the Muslims (1971 Census), and new subdivisions in the tenancy in common (increased veto rights of Serbia’s two autonomous provinces, 1974). The onset of a global recession in the mid-1970s combined with these two internal developments to intensify the balancing act between political, national and economic interests. Kardelj’s elite, the new new class, unambiguously failed to ameliorate economic disparities, and the violent unrest in Kosovo in 1981 generally serves to illustrate the structural failings of the Yugoslav experiment (Chapter 5). In the longer-term, the purges removed a talented cohort, ended Yugoslavia’s chances of benefiting from European support for, if not joining the 1970s third wave of democratization.
The purge guaranteed that Yugoslavia remained a wedge, as oppose to moving to a geopolitically neutral status via economic integration into Western Europe. What is more, the grand bargain, or social agreement such as the one encapsulated in Spain’s 1977 Moncloa Pacts, eluded the reformers and their successors. Yet, the very attempt to reach a grand bargain still raises the policy-relevant question, how do elite agreements in divided societies fail to become grand social bargains? What reformist showed was that without republic-based political elites vested in reformism, few internal mechanisms existed to safeguard stability – Tito aged, and his security apparatus, in any event depended fiscally on republics.

Arguably, devolution made it difficult for reformers to use their window of opportunity successfully – the 1965 quiescence of the party to bread price rises above party-set limits didactically illustrated the point. Further research will show whether the reformers provided the requisite leadership to bridge the gap between short- and medium-term “pain” and the long-term “gains” of structural reforms. Without their leadership the present-biased, consumption-oriented preferences won – indebtedness ballooned in the second half of the 1970s.

The passing similarity with Thatcherism and Reaganism merits perhaps the broadest scholarly attention and additional research. Liberals do not advocate or become caricature laissez-faire liberals either during the socialist era or, no less important, after their purge. In hollowing out the federal center, reformers arrived at measures that uncannily presaged the “Washington consensus” of the 1990s (market-set prices, modest fiscal policy and removing trade barriers). Conspicuously, unlike some former socialist bloc countries, in none of the Yugoslav successor states is the socialist project soundly repudiated, in neither the most successful new European Union member state, Slovenia, nor its latest, if not last, aspirant, Kosovo. The home-grown Chicago boys, and girls, worked to check federal transfers, a huge show of independence from Stalinist blueprints, but had not wanted to give up control of the commanding heights, as Dragutin Haramija bluntly told his colleagues in Serbia’s Parliament in 1970.

A more rigorous comparison to NICs suggests several potential broader implications of the liberal experiment. In increasing order of relevance to present-day debates, the Yugoslav case shows the importance of resolving the security dilemma. No benevolent Cold War-era benefactor (whether the European Community or NATO) served as potent reminder that moving away from past grievances would be rewarded with tangible benefits accruing from the institutions of the Western core. Thus, compared to Yugoslavia, Spain and Greece "forgot" their civil wars in part because these societies benefited from considerable transfers from Brussels (agriculture, regional development). The memories of their largely ideologically based civil wars periodically resurface, yet the conflicting interpretations have not contributed to a resurgence of armed conflict.682

On the national level, Yugoslavia could not “forget” its mid-century civil wars, in part because of their severity an ethno-religious, as well as ideological, components, but also because Yugoslavia remained outside the protective sphere of Brussels, and thus only partially benefited from the so-called norm diffusion. Neither did Soviet occupation “freeze” grievances between ethno-national communities, as it had in Czechoslovakia; indeed terrorism, especially by émigrés from Croatia, made for another passing resemblance with 1960s Western Europe.683 Just as no civilian institution had the capacity to enforce cooperation for the austerity program foreign creditors began to require in the 1980s, there were no institutional mechanisms that could manage a “velvet divorce” once the strongest cohesive factor, the fear of Soviet invasion,
dissipated in the late 1980s. Yet, the question remains whether the neat reasoning applies to the local level.

To wrap up with the larger arch mentioned in the Introduction, in the Yugoslav case, political decentralization (rooted in the AVNOJ bargain) structured economic reforms and the failure of reforms structured the political economy of disintegration. Serbia waged a trade war with Slovenia in the last 1980s and neither the national bank nor the federal executive had the power to stop this. The Yugoslav case therefore offers an under-explored instance of the historical process of starving a socialist beast, a process with many unintended consequences. Backtracking on liberalization proved far easier than on decentralization, and this helps explain why liberals are remembered so differently nowadays in the successor states.

The Unmasterable Present

The purges silenced moderate elites, the so-called informal groups, that had far better chances than their new class predecessors and new new class successors to negotiate among themselves something like the transition seen in Spain in the late 1970’s or Hungary’s “negotiated transition” a decade later. Since Serbia’s leadership stood up to Tito based on their record of fighting against nationalism, statism in government and corporatism in the economy, and Croatia’s leadership censured both voices that described Croatia as exploited economically or as prone to majoritarian nationalism (Šime Djodan and Miloš Žanko, respectively), the claim about silenced reformist elites merits scrutiny. Perhaps because they had “serious conflicts,” reformist elites had invaluable experience at bargaining without recourse to the security apparatus.

Greater continuity among elites after the purges in Slovenia meant that the “new new class” had less of a reason to exclude the purged in the post-socialist body politic, while the greater discontinuity among elites in Serbia had the opposite effect - reformers constituted something like a disloyal opposition during the 1990s (Mirko Tepavac and Latinka Perović). This suggests why in Slovenia reformers now seem like harbingers of independence from the common state, publicly recognized members of the current body politic.

The striking differences in the “time value” of reformers, to borrow a term that captures the change of an asset deemed valuable dependent on interest and inflation rates, in the three republics merits further study. Suffice it to note here, in Slovenia nowadays, the time value of reformers remains much higher than in Croatia and many times higher than in Serbia, a surprising development given how much they had in common. In the post-socialist periods, the “circle of ‘we,’” a notion from David Hollinger seems to include practically all reformers from Slovenia– as evidenced by a monument to Stane Kavčič in central Ljubljana.684

In Croatia, the “counter-elite” that reformers condemned or even began to purge (e.g., Franjo Tudjman, Šime Djodan) clearly displaced the reformers as harbingers of independence. Though reformers properly made up a community of purge victims that official estimates so undercounted, it is comparatively difficult to place reformers into the much larger community of socialism’s victims, but it is comparatively easy to place the counter-elite-dissidents into the ranks of socialism’s victims. Reformers from Croatia largely belong within the “circle of ‘we’”– as evidenced by the successful re-entrance of some into public life and politics after the dissolution of the common states (Savka Dabčević-Kučar, Miko Tripalo and Dragutin Haramija in Croatia’s People’s Party), but the nationally-oriented counter-elite retains a more publically honored place as harbingers of independence from the common state. As almost a counter-example to the case of Slovenia, their absence from public space aptly signals how
unincorporated reformers from across Serbia remain in the post-socialist body politic. They remain outside the circle as evidenced by the difficulty Latinka Perović had in organizing an exhibition of Marko Nikezić’s sculptures in 1990’s Belgrade.

In post-communist Slovenia and Croatia, therefore, liberals occupy a privileged place in historical narratives and public discourse while Serbia’s liberals have not attracted corresponding attention in Serbia itself or elsewhere. The liberals thus have a place in present-day quasi-historical debates that contribute the successors’ states unmasterable present. The hope here is that this study made a modest contribution to an otherwise immodest goal of drawing attention to a significant and under-researched part of the past.
Tables and Figures

Table 1: Chronology of “Withering Away”

<table>
<thead>
<tr>
<th>Year</th>
<th>Area</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1953</td>
<td>Education</td>
<td>Soviet-style Ministries disbanded. Federal Executive Committee formed NO federal body deals with education between 15 January, when Savet za nauku I kulturu disbanded under the 1953 Constitution, and 17 March when SIV created Sekreterijat za prosvety, when SIV named its Secretary (Korač, Organizacija federacije: 344-349)</td>
</tr>
<tr>
<td>1954</td>
<td>Banking</td>
<td>Communal banks established, share of Federal Government in investment falls from early to late 1950s from about 45% to 38%, and share of enterprises increases from 21% to 30% (Singleton and Carter, ’82: TableA.3)</td>
</tr>
<tr>
<td>1960s</td>
<td>Welfare</td>
<td>Health and pension funds pass from federal management</td>
</tr>
<tr>
<td>1964</td>
<td>Investment</td>
<td>General Investment Fund, the main federal instrument for directing capital, abolished as of 1 January, and its funds transferred to banks in republics. (Rusinow, Experiment: 160) Banking Law: investment banking to republics and provinces</td>
</tr>
<tr>
<td>1967</td>
<td>Citizenship</td>
<td>Secretaries of Internal Affairs on level of republics decide citizenship matters</td>
</tr>
<tr>
<td>1967</td>
<td>Roads</td>
<td>Republics finance, plan and maintain roads (inter-city highways still have federal oversight) (Ramet, Nationalism and Federalism: 166-7)</td>
</tr>
<tr>
<td>1969</td>
<td>Territorial Defense</td>
<td>Republic-based auxiliary forces formed, to complement Yugoslav National Army in case of invasion</td>
</tr>
<tr>
<td>1971</td>
<td>Taxes</td>
<td>1971 amendments introduce form of fiscal federalism: republics and provinces collect most taxes and pass on the funds to the federal budget (Rašićević: Osobenosti razvoja: 105-106, 81.)</td>
</tr>
<tr>
<td>1972</td>
<td>Banking</td>
<td>National Banks established in republics and provinces (Singleton and Carter, ’82: TableA.3)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Belgrade-based Investment Bank devolved into entity Investment Banks in 1972, much like the General Investment Fund had been a decade earlier (Lampe, Twice: 307).</td>
</tr>
</tbody>
</table>
Figure 1: Out Migration from and Return Migration to Yugoslavia, 1921-1985 (log scale)

Figure 2: Out Migration from and Return Migration to Croatia, 1921-1985 (log scale)
Table 2: Schematic of Method of Similarities: Republics Most Supportive of Liberal Reforms Exhibit Disparate Socioeconomic Trends between mid-1940s and early 1970s

<table>
<thead>
<tr>
<th>Cases</th>
<th>Slovenia</th>
<th>Croatia</th>
<th>Serbia (“Central”)</th>
<th>Macedonia</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relative Population Loss in World Wars</td>
<td>Medium-Low</td>
<td>Medium</td>
<td>Medium-High</td>
<td>Low</td>
</tr>
<tr>
<td>Human Capital post-WWII</td>
<td>Universal literacy</td>
<td>High literacy in cities</td>
<td>Medium literacy in cities</td>
<td>Medium literacy in cities</td>
</tr>
<tr>
<td></td>
<td>Gradual increase in tertiary education</td>
<td>Rapid increase of tertiary education</td>
<td>Rapid increase of tertiary education</td>
<td></td>
</tr>
<tr>
<td>Family Structure post-WWII</td>
<td>Nuclear</td>
<td>Nuclear in cities</td>
<td>Nuclear in major cities, extended in rural</td>
<td>Nuclear in capital</td>
</tr>
<tr>
<td>Urbanization</td>
<td>Balanced urbanization</td>
<td>Rapid urbanization</td>
<td>&quot;Parasitic capital&quot;</td>
<td>&quot;Parasitic capital&quot;</td>
</tr>
<tr>
<td>Structure of Economy</td>
<td>Shift to light manufactures and exports</td>
<td>Investment in shipping and tourism</td>
<td>Investment in heavy industry Disinvestment in agriculture</td>
<td>Investment in heavy industry Reliance on federal subsidies</td>
</tr>
<tr>
<td>Unemployment</td>
<td>None</td>
<td>Single-digit</td>
<td>High single-digit</td>
<td>Double-digit</td>
</tr>
<tr>
<td>&quot;Causal variable&quot;</td>
<td>Belief in revolutionary politics as a means to socioeconomic development OUTSIDE Superpowers' protective spheres</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Phenomenon Requiring Explanation</td>
<td>Purge of republic-based liberal reformers by party hardliners</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sections</td>
<td>Speaker “Dyads” (Macro-Region; Ethnicity)</td>
<td>Reformer/Hardliner (Function)</td>
<td>Key Issues</td>
<td>Key Interruption</td>
</tr>
<tr>
<td>--------------------------</td>
<td>------------------------------------------</td>
<td>-------------------------------</td>
<td>-----------------------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>I. Intro to Triangulations</td>
<td>Savka Dabčević-Kučar (Dalmatia, Croat)</td>
<td>RF: leader (Chairwoman of the Central Committee)</td>
<td>-Economic grievances: foreign currency regime</td>
<td>Tito: -Masses don’t understand foreign currency regime</td>
</tr>
<tr>
<td></td>
<td>Milka Planinc (Krajina; Croat-Serb)</td>
<td>HI: leader (President of Assembly)</td>
<td>-Implementation of national platform → mistrust in Executive Committee -Unacceptable: Croatia outside Yugoslavia</td>
<td>Tito: -How could enemy forces organize so well?</td>
</tr>
<tr>
<td>II. Economic Grievances and Foreign Currency</td>
<td>Josip Vrhonec (Zagreb; Croat)</td>
<td>HI: junior, ideas-man (Executive Cmmittee of Central Cmmittee)</td>
<td>-Parallelism: a critique of nationalism/unitarism requires a critique of unitarism/nationalism</td>
<td>Tito: -Enemy activity rests on weakness of communists</td>
</tr>
<tr>
<td></td>
<td>Pero Pirker (Zagreb; Croat)</td>
<td>RF: economics (Secretary of the Executive Cmmittee of Central Cmmittee)</td>
<td>Key Croat grievances: economic and political exploitation within Yugoslavia and labor migration -Grievance → Outbreaks of nationalism -Ranković network</td>
<td>Tito: -Existing institutions sufficient for expression popular national sentiments</td>
</tr>
<tr>
<td>III. Homogenization of Croatia and Enumeration</td>
<td>Dragutin Haramija (Dalmatia; Croat)</td>
<td>RF: economics (President, Executive Council of SR Croatia)</td>
<td>-Economic “harmonization” (outcome equity across regions) in Croatia -Capital in Belgrade → hard to fight nationalism</td>
<td>Tito: -Currency regime must change -Cadres must serve in Fed.</td>
</tr>
<tr>
<td></td>
<td>Milutin Baltić (Krajina; Serb)</td>
<td>HI: machine politician (Trade-Unions Association)</td>
<td>-Ethnic enumeration in firms → ethnic basis for party → negates class basis of party</td>
<td>Pero Pirker: -Enumeration NEVER happened in firms</td>
</tr>
<tr>
<td>IV. Preventing Outbreaks of Violence and Purge Atmosphere</td>
<td>Miko Tripalo (Krajina; Croat)</td>
<td>RF: leader, ideas-man (Presidency of Yugoslavia’s party)</td>
<td>-Unity of class and nation -Unitarism → Nationalism/Separatism</td>
<td>Tito: -Who’s responsible for disunity in the party</td>
</tr>
<tr>
<td></td>
<td>Tito (Zagorje; Croat-Slovene)</td>
<td>Veto player (President of Yugoslavia)</td>
<td>-Reject unity of class and nation -Classical vs. socialist state -Maspok → unacceptable national-socialism</td>
<td>Ivan Šibl -Admits to attending pro-Maspok student meeting</td>
</tr>
</tbody>
</table>
Notes: Meeting starts at about 9am on 30 November and runs to after 3am on 1 December 1971; Grey represents reformist speakers, Black hardliners, and White veto speakers.
Table 4: Estimates of Self-Identified Yugoslavs, 1961 to present

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Average for Yugoslavia</td>
<td>1.7</td>
<td>1.3</td>
<td>5.4</td>
<td>3.1</td>
<td></td>
</tr>
<tr>
<td>Slovenia</td>
<td>0.2</td>
<td>0.4</td>
<td>1.4</td>
<td>0.1</td>
<td></td>
</tr>
<tr>
<td>Croatia</td>
<td>0.4</td>
<td>1.9</td>
<td>8.2</td>
<td>0.2</td>
<td></td>
</tr>
<tr>
<td>Vojvodina</td>
<td>0.2</td>
<td>2.4</td>
<td>8.2</td>
<td>8.7</td>
<td>Included in Serbia</td>
</tr>
<tr>
<td>Serbia</td>
<td>0.2</td>
<td>1.4</td>
<td>4.8</td>
<td>1.4</td>
<td>80,721</td>
</tr>
<tr>
<td>Kosovo</td>
<td>0.5</td>
<td>0.1</td>
<td>0.1</td>
<td>0.2</td>
<td></td>
</tr>
<tr>
<td>Bosnia and Herzegovina</td>
<td>8.4</td>
<td>1.2</td>
<td>7.9</td>
<td>5.5</td>
<td>No census since 1991</td>
</tr>
<tr>
<td>Montenegro</td>
<td>0.3</td>
<td>2.1</td>
<td>5.3</td>
<td>4.3</td>
<td>1,154</td>
</tr>
<tr>
<td>Macedonia</td>
<td>0.1</td>
<td>0.2</td>
<td>0.7</td>
<td>0.8</td>
<td>“Other”</td>
</tr>
<tr>
<td>United States</td>
<td>273,400</td>
<td>186,765</td>
<td>325,907</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Canada</td>
<td></td>
<td></td>
<td>65,305</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Sources
Czechoslovaks exist as well in US and Canada; tabulate in next iteration;
No Soviets in US ethnicity category, tracked since 1980, but Czechoslovaks exist – so, common identity acceptable abroad even, or because, not accepted at home.

Table 5: Chain of Concepts

<table>
<thead>
<tr>
<th>Concept</th>
<th>Critical Dates</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>AVNOJ Bargain</td>
<td>1943</td>
<td>Regional Partisan organizations agree on federalizing the common state</td>
</tr>
<tr>
<td>Triple Bind</td>
<td>1945</td>
<td>Partisan high command become a federal regime that needs to resolve Competing regionally-based and ethnically-based interests (socialist revolution basically erased competing economic interests)</td>
</tr>
<tr>
<td>Wedge</td>
<td>1948</td>
<td>Tito-Stalin split changes Yugoslavia's geopolitical position</td>
</tr>
<tr>
<td>Self-Management</td>
<td>1950</td>
<td>Institutional distancing from Soviet Union results in innovation outlined codified in Law on Self Management</td>
</tr>
<tr>
<td>Hollowing-Out</td>
<td>1954</td>
<td>Federal regime creates Federal Executive Council and disbands Ministries</td>
</tr>
<tr>
<td>Political Dutch Disease</td>
<td>1961</td>
<td>First Summit of Non-Aligned in Belgrade, “small reforms” attempt to create convertible dinar</td>
</tr>
<tr>
<td>Tenancy in Common</td>
<td>1963</td>
<td>Constitution codified decentralization</td>
</tr>
</tbody>
</table>
Table 6: Strategic Cadres in Socio-Political Organizations (March 1960)

<table>
<thead>
<tr>
<th></th>
<th>Number of surveyed</th>
<th>Assignments in plenums of social-political organizations</th>
<th>Total Assignments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Members of the Federal Executive Council</td>
<td>20</td>
<td>54</td>
<td>232</td>
</tr>
<tr>
<td>Members of the Central Committee and Central Revision Commission (not members of SIV)</td>
<td>31</td>
<td>70</td>
<td>274</td>
</tr>
<tr>
<td>Members of Central Committees of republics</td>
<td>40</td>
<td>71</td>
<td>382</td>
</tr>
<tr>
<td>National Deputies in the Federal Assembly</td>
<td>8</td>
<td>11</td>
<td>86</td>
</tr>
<tr>
<td>Other cadres</td>
<td>33</td>
<td>14</td>
<td>264</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>132</strong></td>
<td><strong>220</strong></td>
<td><strong>1,238</strong></td>
</tr>
</tbody>
</table>


Table 7: Strategic Cadres in Federal Socio-Political Organizations by Republic (April 1963)

<table>
<thead>
<tr>
<th></th>
<th>Bosnia-Herzeg.</th>
<th>Montenegro</th>
<th>Croatia</th>
<th>Macedonia</th>
<th>Slovenia</th>
<th>Serbia</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central Committee of Yugoslavia’s League of Communists</td>
<td>25</td>
<td>6</td>
<td>7</td>
<td>5</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Federal board of the Socialist Alliance (SSRNJ)</td>
<td>17</td>
<td>1</td>
<td>2</td>
<td>4</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Republican membership of elected members of the Federal Parliament</td>
<td>34</td>
<td>4</td>
<td>3</td>
<td>10</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>Functionaries appointed by the Federal Executive Council</td>
<td>316</td>
<td>34</td>
<td>66</td>
<td>78</td>
<td>16</td>
<td>29</td>
</tr>
<tr>
<td>Inner circle (“Uži sastav”) of the Federal Executive Council (SIV)</td>
<td>12</td>
<td>2</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Federal Constitutional Court</td>
<td>11</td>
<td>2</td>
<td>2</td>
<td>3</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>All Federal Courts</td>
<td>58</td>
<td>7</td>
<td>15</td>
<td>11</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>473</strong></td>
<td><strong>56</strong></td>
<td><strong>96</strong></td>
<td><strong>113</strong></td>
<td><strong>29</strong></td>
<td><strong>43</strong></td>
</tr>
<tr>
<td><strong>Total (%)</strong></td>
<td><strong>100</strong></td>
<td><strong>12</strong></td>
<td><strong>20</strong></td>
<td><strong>24</strong></td>
<td><strong>6</strong></td>
<td><strong>9</strong></td>
</tr>
</tbody>
</table>

Table 8: US Economic and Military Aid Assistance during Major Policy Eras, Millions of 2004$ and Per Capita (in parentheses)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Greece</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Economic Assistance</td>
<td>3,832.8 (168.1)</td>
<td>4,678.0 (151.9)</td>
<td>2,624.1 (36.0)</td>
</tr>
<tr>
<td>Military Assistance</td>
<td>1,337.3 (58.7)</td>
<td>3,761.3 (122.1)</td>
<td>4,082.6 (56.0)</td>
</tr>
<tr>
<td>Turkey</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Economic Assistance</td>
<td>92.6 (1.6)</td>
<td>1,429.8 (16.9)</td>
<td>5,905.7 (58.3)</td>
</tr>
<tr>
<td>Military Assistance</td>
<td>463.7 (7.9)</td>
<td>3,486.9 (41.3)</td>
<td>8,078.1 (35.5)</td>
</tr>
<tr>
<td>Yugoslavia</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Economic Assistance</td>
<td>2,351.0 (50.0)</td>
<td>1,148.0 (17.4)</td>
<td>5,710.5 (35.6)</td>
</tr>
<tr>
<td>Military Assistance</td>
<td>0.0 (0.0)</td>
<td>1,891.4 (28.7)</td>
<td>2,399.8 (14.9)</td>
</tr>
</tbody>
</table>

Notes: Per capital figures in parentheses. USAID currently classifies aid into economic or military, thus good governance, public health, refugee help and other aid appear in the economic assistance category. The figures do not include Import-Export Bank and other non-concessional loans. Population statistics after 1948 come from the UN's Demographic Yearbook (1997), and for 1946 and 1947 from national statistical yearbooks.

Sources: US assistance figures come from the "Green Book" (2004 and 2006).

Table 9: Devaluations of the Dinar and Export and Import Exchange Rates (19145-1973)

<table>
<thead>
<tr>
<th>Devaluation Dates</th>
<th>Official Exchange Rate Din/US</th>
<th>Effective Export Exchange Rate</th>
<th>Effective Import Exchange Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>12.Apr.1945</td>
<td>50.6</td>
<td>299.0</td>
<td>302.0</td>
</tr>
<tr>
<td>25.May.1949</td>
<td>50.0</td>
<td>328.0</td>
<td>318.0</td>
</tr>
<tr>
<td>1.Jan.1952</td>
<td>300.0</td>
<td>585.0</td>
<td>440.0</td>
</tr>
<tr>
<td>1.Jan.1961</td>
<td>750.0</td>
<td>1,002.0</td>
<td>879.0</td>
</tr>
<tr>
<td>26.Jul.1965</td>
<td>1,250.0</td>
<td>1,126.0</td>
<td>1,106.0</td>
</tr>
<tr>
<td>1.Jan.1966</td>
<td>12.5</td>
<td>13.0</td>
<td>13.8</td>
</tr>
<tr>
<td>23.Jan.1971</td>
<td>15.0</td>
<td>13.7</td>
<td>14.9</td>
</tr>
<tr>
<td>31.Dec.1971</td>
<td>17.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>22.Feb.1973</td>
<td>17.0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Stojanović, Biljana, "Exchange Rate Regimes of the Dinar, 1945-1990"
<table>
<thead>
<tr>
<th>Borrower</th>
<th>Interest Rate</th>
<th>Project</th>
<th>Signing Counterpart</th>
<th>Million USD</th>
<th>Board Approval</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government of Yugoslavia</td>
<td>3.00</td>
<td>Forestry industry equipment</td>
<td>Federation</td>
<td>2.7</td>
<td>1949</td>
</tr>
<tr>
<td>Government of Yugoslavia</td>
<td>4.50</td>
<td>General development (Energy sector; mining; transportation; industry; agriculture; forestry)</td>
<td>Federation</td>
<td>28</td>
<td>1951</td>
</tr>
<tr>
<td>National Bank of Yugoslavia</td>
<td>4.88</td>
<td>General development (like ’51 loan)</td>
<td>Federation</td>
<td>30</td>
<td>1953</td>
</tr>
<tr>
<td>Yugoslav Investment Bank</td>
<td>5.75</td>
<td>Electrical power (HE Senj, Lika region, Croatia)</td>
<td>Federation</td>
<td>30</td>
<td>1961</td>
</tr>
<tr>
<td>Yugoslav Investment Bank</td>
<td>5.75</td>
<td>Electrical power (HE Bajina Bašta, Serbia/BiH border)</td>
<td>Federation</td>
<td>30</td>
<td>1962</td>
</tr>
<tr>
<td>Yugoslav Investment Bank</td>
<td>5.50</td>
<td>Highway I (Jadran Highway, Croatia; Ljubelj-Naklo/Kranj, Slovenia; Osipaonica/ Smederevo-Paračin, Serbia)</td>
<td>Federation</td>
<td>35</td>
<td>1963</td>
</tr>
<tr>
<td>Yugoslav Investment Bank</td>
<td>5.50</td>
<td>Railway I (Sarajevo-Ploče, BiH)</td>
<td>Federation</td>
<td>35</td>
<td>1963</td>
</tr>
<tr>
<td>Yugoslav Investment Bank</td>
<td>5.50</td>
<td>Railway II (Modernization and reconstruction)</td>
<td>Federation</td>
<td>70</td>
<td>1964</td>
</tr>
<tr>
<td>Yugoslav Investment Bank</td>
<td>6.00</td>
<td>Highway II (Opuzen/Ploče-Županja, Croatia/BiH border)</td>
<td>Federation</td>
<td>10</td>
<td>1967</td>
</tr>
<tr>
<td>Yugoslav Investment Bank</td>
<td>6.00</td>
<td>Industry I (Iron &amp; steel projects)</td>
<td>Federation</td>
<td>10.5</td>
<td>1967</td>
</tr>
<tr>
<td>Yugoslav Investment Bank</td>
<td>6.50</td>
<td>Industry II</td>
<td>Federation</td>
<td>16</td>
<td>1968</td>
</tr>
<tr>
<td>Yugoslav Investment Bank</td>
<td>6.50</td>
<td>Highway III</td>
<td>Federation</td>
<td>30</td>
<td>1969</td>
</tr>
<tr>
<td>Yugoslav Investment Bank</td>
<td>7.00</td>
<td>Industry III</td>
<td>Federation</td>
<td>18.5</td>
<td>1970</td>
</tr>
<tr>
<td>Yugoslav Investment Bank</td>
<td>7.00</td>
<td>Communications -- Telephony</td>
<td>Federation</td>
<td>40</td>
<td>1970</td>
</tr>
<tr>
<td>Livnica zeljeza i tempera-</td>
<td>7.25</td>
<td>Kikinda iron foundry</td>
<td>Vojvodina</td>
<td>14.5</td>
<td>1973</td>
</tr>
<tr>
<td>KIKI</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Industrija masina i traktora</td>
<td>7.25</td>
<td>UMI-IMT tractor plant (Belgrade, Serbia)</td>
<td>Serbia Proper</td>
<td>18.5</td>
<td>1974</td>
</tr>
<tr>
<td>Fabrika odlivaka Beograd</td>
<td>7.25</td>
<td>UMI-FOB iron foundry (Belgrade, Serbia)</td>
<td>Serbia Proper</td>
<td>15</td>
<td>1974</td>
</tr>
<tr>
<td>Stopanska banka A.D. - Skopje</td>
<td>7.25</td>
<td>Industrial credit</td>
<td>Macedonia</td>
<td>28</td>
<td>1974</td>
</tr>
<tr>
<td>Vojvodjanska - udruzena banaka</td>
<td>8.50</td>
<td>Agricultural credit I</td>
<td>Vojvodina</td>
<td>50</td>
<td>1975</td>
</tr>
<tr>
<td>Hydropower Bosnia</td>
<td>8.50</td>
<td>Buk Bijela Hydro-power Plant</td>
<td>Bosnia and Montenegro</td>
<td>70</td>
<td>1975</td>
</tr>
<tr>
<td>Zajednica Jugoslovenske - Fed. and Six Reps.</td>
<td>8.20</td>
<td>Electrical power transmission II</td>
<td>Federation</td>
<td>54.2</td>
<td>1977</td>
</tr>
<tr>
<td>Zagrebačka banka</td>
<td>7.90</td>
<td>Sava river drainage</td>
<td>Croatia</td>
<td>30.2</td>
<td>1979</td>
</tr>
</tbody>
</table>

Table 11: Reformist Legal Acts (1965-1967)

<table>
<thead>
<tr>
<th>Theme of Laws, Orders, Regulations</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic Laws on economic planning (5, 15, 19, 20, 33/65); decrease budget spending on nonproductive enterprises (35/65); compulsory delivery of raw materials (57/65); building and financing of electricity-producing facilities (26, 28/66); building economic facilities (52/66); use of agricultural equipment (7/67); public roads (7/67)</td>
<td>18</td>
</tr>
<tr>
<td>Currency, international transactions, imports</td>
<td>63</td>
</tr>
<tr>
<td>parity of the dinar (33/65); international transactions of goods and services (29, 35/65; 28/66); insurance of international transactions of social organizations and citizens (52/66); Fund for crediting and insuring business projects abroad (31/67); import tariffs (34/65, 49/66, 5, 8/67)</td>
<td></td>
</tr>
<tr>
<td>Prices</td>
<td>50</td>
</tr>
<tr>
<td>social control of prices (57/65; 12, 37/67); working of the Federal Price Agency (7/66); formation of sale prices according to market conditions (30, 31/67); partial decontrol of prices of raw hide and wool, tobacco and matches, crude oil and oil products, old iron and ferrous metals, wholesale price of fresh meat, utilities, transport on Yugoslav Railways, some fruits and vegetables (grapes, potato, onion, beans), grains and grain products; electricity, livestock; profit margin on whole sale and retail sale (33, 46, 51/65; 9/66)</td>
<td></td>
</tr>
<tr>
<td>Taxes and investment funds</td>
<td>40</td>
</tr>
<tr>
<td>turnover tax; federal turnover tax rate, republics receive part of federal turnover tax (33, 36, 57/65; 4, 28, 52/66; 5, 18, 31/67); highest contribution levels from personal income republics and municipalities can levy 35, 57/65; tax on profits of foreign persons who invest in domestic enterprise (31/67); decrease in federal funds in investment (28/66); credit for oil, gas, cement factories and ships (28/66)</td>
<td></td>
</tr>
</tbody>
</table>

Note: parenthesis include the number and year of official gazette, *Službeni glasnik*, in which legal acts appear; Source: HrDA, f1220, bD 5279, “Spisak saveznih propisa reforme”: 1-2.

Table 12: Government Expenditures on All Social Subsidies and Transfers in Select Industrialized Countries (% of GDP, 1870-1980)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>1.1</td>
<td>7.2</td>
<td>14.1</td>
<td>14.9</td>
<td>18.4</td>
</tr>
<tr>
<td>Germany</td>
<td>0.5</td>
<td>7.0</td>
<td>13.7</td>
<td>15.4</td>
<td>20.4</td>
</tr>
<tr>
<td>Sweden</td>
<td>0.7</td>
<td>2.6</td>
<td>8.1</td>
<td>12.1</td>
<td>21.1</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>0.8</td>
<td>10.3</td>
<td>9.2</td>
<td>13.8</td>
<td>17.7</td>
</tr>
<tr>
<td>United States</td>
<td>0.3</td>
<td>2.1</td>
<td>5.0</td>
<td>7.5</td>
<td>10.4</td>
</tr>
</tbody>
</table>

Notes: Estimate for Sweden in 1937 based on Tomka's estimate of spending in 1930; estimates for the UK in 1870, 1970, and 1980 also based on Tomka.
**Table 13: Rise of Social Security Programs (1940-1988)**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>UN Membership</strong></td>
<td>59</td>
<td>82</td>
<td>123</td>
<td>149</td>
<td>159</td>
<td></td>
</tr>
<tr>
<td><strong>Any Social Security Program</strong></td>
<td>57</td>
<td>58</td>
<td>80</td>
<td>120</td>
<td>129</td>
<td>145</td>
</tr>
<tr>
<td><strong>Work Injury</strong></td>
<td>57</td>
<td>57</td>
<td>77</td>
<td>117</td>
<td>129</td>
<td>136</td>
</tr>
<tr>
<td><strong>Old-age, Invalidity, Survivors</strong></td>
<td>33</td>
<td>44</td>
<td>58</td>
<td>92</td>
<td>114</td>
<td>135</td>
</tr>
<tr>
<td><strong>Sickness and Maternity</strong></td>
<td>24</td>
<td>36</td>
<td>59</td>
<td>65</td>
<td>72</td>
<td>84</td>
</tr>
<tr>
<td><strong>Unemployment</strong></td>
<td>21</td>
<td>22</td>
<td>26</td>
<td>34</td>
<td>38</td>
<td>40</td>
</tr>
<tr>
<td><strong>Family Allowances</strong></td>
<td>7</td>
<td>27</td>
<td>38</td>
<td>62</td>
<td>65</td>
<td>63</td>
</tr>
</tbody>
</table>

Sources: SSA (1990); UN *Statistical Yearbook* (various years).

**Table 14: Regional per capita GDP Growth Rates, estimates by Crafts and Toniolo and Maddison (1870-2000)**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Northwestern Europe</strong></td>
<td>1.03</td>
<td>0.95</td>
<td>2.92</td>
<td>1.87</td>
<td>2.19</td>
</tr>
<tr>
<td><strong>Southern Europe</strong></td>
<td>1.15</td>
<td>0.73</td>
<td>4.52</td>
<td>1.85</td>
<td>1.57</td>
</tr>
<tr>
<td><strong>Central and Eastern Europe</strong></td>
<td>1.12</td>
<td>0.79</td>
<td>3.77</td>
<td>0.90</td>
<td>-0.47</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>12 West European</strong></td>
<td>1.32</td>
<td>0.83</td>
<td>3.85</td>
<td>1.93</td>
<td>1.60</td>
</tr>
<tr>
<td><strong>4 South European</strong></td>
<td>1.06</td>
<td>0.63</td>
<td>4.82</td>
<td>1.15</td>
<td>0.94</td>
</tr>
<tr>
<td><strong>7 East European</strong></td>
<td>1.38</td>
<td>0.59</td>
<td>3.74</td>
<td>0.52</td>
<td>0.63</td>
</tr>
</tbody>
</table>

Notes: Regions “washout” boundary changes and include the following contemporary countries:
- Northwestern: Belgium, Denmark, Finland, Ireland, The Netherlands, Norway, Sweden, United Kingdom; Southern: France, Greece, Italy, Portugal, Spain, and Turkey; Central and Eastern: Albania, Austria, Bulgaria, Germany, Hungary, Poland, Romania, Switzerland, USSR and successors, and Yugoslavia and successors.
-12 West European: Austria, Belgium, Denmark, Finland, France, Germany, Italy, Netherlands, Norway, Sweden, Switzerland, United Kingdom; 4 South European: Ireland, Greece, Portugal, Spain; 7 East European: Albania, Bulgaria, Czechoslovakia, Hungary, Poland, Romania, Yugoslavia
Figure 4: GDP per capita of Yugoslavia and Comparison Countries (European Core = 100, in 1990 PPP $)

Table 15: Historical Ginis: Yugoslavia Compared with other Federal and Unitary States

<table>
<thead>
<tr>
<th>Region</th>
<th>Aver. Gini</th>
<th>First Year</th>
<th>Last Year</th>
<th>Top to Bottom 25%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eastern Europe</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Czechoslovakia</td>
<td>0.22</td>
<td>1958</td>
<td>1992</td>
<td>3.1</td>
</tr>
<tr>
<td>U.S.S.R.</td>
<td>0.27</td>
<td>1980</td>
<td>1993</td>
<td>4.1</td>
</tr>
<tr>
<td>Yugoslavia</td>
<td>0.33</td>
<td>1963</td>
<td>1990</td>
<td>5.6</td>
</tr>
<tr>
<td>Non-Federal</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hungary</td>
<td>0.25</td>
<td>1962</td>
<td>1993</td>
<td>3.6</td>
</tr>
<tr>
<td>Poland</td>
<td>0.26</td>
<td>1976</td>
<td>1993</td>
<td>3.8</td>
</tr>
<tr>
<td>Romania</td>
<td>0.26</td>
<td>1989</td>
<td>1994</td>
<td>3.8</td>
</tr>
<tr>
<td>Developing World</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>East Asia and Pacific</td>
<td>0.36</td>
<td>1953</td>
<td>1993</td>
<td>7.2</td>
</tr>
<tr>
<td>Sub-Saharan Africa</td>
<td>0.45</td>
<td>1968</td>
<td>1993</td>
<td>11.6</td>
</tr>
<tr>
<td>Latin America &amp; Carrib.</td>
<td>0.50</td>
<td>1950</td>
<td>1994</td>
<td>16.0</td>
</tr>
<tr>
<td>OECD Countries</td>
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<td></td>
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<td></td>
</tr>
<tr>
<td>Federal</td>
<td></td>
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</tr>
<tr>
<td>Belgium</td>
<td>0.29</td>
<td>1975</td>
<td>1991</td>
<td>4.4</td>
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<tr>
<td>Germany</td>
<td>0.31</td>
<td>1963</td>
<td>1984</td>
<td>5.4</td>
</tr>
<tr>
<td>United States</td>
<td>0.35</td>
<td>1947</td>
<td>1991</td>
<td>8.5</td>
</tr>
<tr>
<td>Non-Federal</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>United Kingdom</td>
<td>0.26</td>
<td>1961</td>
<td>1991</td>
<td>4.0</td>
</tr>
<tr>
<td>Italy</td>
<td>0.35</td>
<td>1974</td>
<td>1991</td>
<td>4.9</td>
</tr>
<tr>
<td>France</td>
<td>0.43</td>
<td>1956</td>
<td>1984</td>
<td>6.3</td>
</tr>
<tr>
<td>Least Developed</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Greece</td>
<td>0.35</td>
<td>1974</td>
<td>1988</td>
<td>6.4</td>
</tr>
<tr>
<td>Ireland</td>
<td>0.36</td>
<td>1973</td>
<td>1987</td>
<td>8.9</td>
</tr>
<tr>
<td>Turkey</td>
<td>0.50</td>
<td>1968</td>
<td>1987</td>
<td>15.2</td>
</tr>
</tbody>
</table>

Source: Maddison (2006); Source: Maddison (2006); Note: European Core includes the UK, France, Italy, Germany, Belgium, Luxemburg and The Netherlands
Figure 5: Income Inequality in Socialist Federations, 1960s and 1980s
Table 16: Population and Material Product of Federal Entities as % of Yugoslavia's Total (1950s-1980s)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Slovenia</td>
<td>8.8</td>
<td>24.0</td>
<td>8.3</td>
<td>25.0</td>
<td>8.2</td>
<td>25.5</td>
</tr>
<tr>
<td>Croatia</td>
<td>23.2</td>
<td>16.3</td>
<td>20.4</td>
<td>16.5</td>
<td>19.1</td>
<td>16.1</td>
</tr>
<tr>
<td>Vojvodina</td>
<td>10.0</td>
<td>12.8</td>
<td>9.3</td>
<td>14.8</td>
<td>8.7</td>
<td>14.9</td>
</tr>
<tr>
<td>Serbia “Proper”</td>
<td>26.3</td>
<td>11.9</td>
<td>25.1</td>
<td>12.4</td>
<td>24.8</td>
<td>12.6</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Developed</strong></td>
<td>68.3</td>
<td>65.0</td>
<td>63.1</td>
<td>68.7</td>
<td>60.8</td>
<td>69.2</td>
</tr>
<tr>
<td>Montenegro</td>
<td>2.5</td>
<td>9.7</td>
<td>2.7</td>
<td>9.5</td>
<td>2.7</td>
<td>9.8</td>
</tr>
<tr>
<td>Bosnia-Herzegovina</td>
<td>16.7</td>
<td>9.9</td>
<td>18.6</td>
<td>8.7</td>
<td>18.8</td>
<td>8.8</td>
</tr>
<tr>
<td>Macedonia</td>
<td>7.7</td>
<td>9.7</td>
<td>8.3</td>
<td>9.0</td>
<td>8.9</td>
<td>8.6</td>
</tr>
<tr>
<td>Kosovo Province</td>
<td>4.8</td>
<td>5.7</td>
<td>6.9</td>
<td>4.2</td>
<td>8.0</td>
<td>3.6</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Developing</strong></td>
<td>31.7</td>
<td>35.0</td>
<td>36.5</td>
<td>31.3</td>
<td>38.4</td>
<td>30.8</td>
</tr>
</tbody>
</table>


Table 17: National Material Product of Republics and Provinces (Yugoslav Average = 100)

<table>
<thead>
<tr>
<th>Year</th>
<th>Slovenia</th>
<th>Croatia</th>
<th>Vojvodina</th>
<th>Serbia Proper</th>
<th>Montenegro</th>
<th>Bosnia-Herzegovina</th>
<th>Macedonia</th>
<th>Kosovo</th>
</tr>
</thead>
<tbody>
<tr>
<td>1951</td>
<td>143</td>
<td>107</td>
<td>113</td>
<td>107</td>
<td>65</td>
<td>85</td>
<td>66</td>
<td>44</td>
</tr>
<tr>
<td>1956</td>
<td>182</td>
<td>124</td>
<td>97</td>
<td>90</td>
<td>74</td>
<td>75</td>
<td>74</td>
<td>43</td>
</tr>
<tr>
<td>1961</td>
<td>187</td>
<td>122</td>
<td>102</td>
<td>97</td>
<td>74</td>
<td>74</td>
<td>62</td>
<td>35</td>
</tr>
<tr>
<td>1966</td>
<td>180</td>
<td>121</td>
<td>114</td>
<td>97</td>
<td>74</td>
<td>72</td>
<td>67</td>
<td>37</td>
</tr>
<tr>
<td>1971</td>
<td>192</td>
<td>127</td>
<td>114</td>
<td>95</td>
<td>73</td>
<td>67</td>
<td>69</td>
<td>32</td>
</tr>
<tr>
<td>1976</td>
<td>201</td>
<td>126</td>
<td>116</td>
<td>98</td>
<td>69</td>
<td>64</td>
<td>69</td>
<td>32</td>
</tr>
<tr>
<td>1981</td>
<td>194</td>
<td>127</td>
<td>117</td>
<td>98</td>
<td>78</td>
<td>67</td>
<td>67</td>
<td>29</td>
</tr>
<tr>
<td>1986</td>
<td>200</td>
<td>126</td>
<td>117</td>
<td>99</td>
<td>77</td>
<td>69</td>
<td>67</td>
<td>28</td>
</tr>
<tr>
<td>1990</td>
<td>201</td>
<td>127</td>
<td>122</td>
<td>105</td>
<td>72</td>
<td>68</td>
<td>64</td>
<td>22</td>
</tr>
<tr>
<td><strong>Average for 1951-1990</strong></td>
<td><strong>186</strong></td>
<td><strong>123</strong></td>
<td><strong>112</strong></td>
<td><strong>98</strong></td>
<td><strong>73</strong></td>
<td><strong>71</strong></td>
<td><strong>67</strong></td>
<td><strong>33</strong></td>
</tr>
</tbody>
</table>

### Table 18: Proportion of FADURK Received by Each Federal Entity (all Five Cycles)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Montenegro</td>
<td>13.1</td>
<td>11.4</td>
<td>10.8</td>
<td>9.4</td>
<td>7.7</td>
</tr>
<tr>
<td>Bosnia-Herzegovina</td>
<td>30.4</td>
<td>32.4</td>
<td>30.6</td>
<td>28.3</td>
<td>26.3</td>
</tr>
<tr>
<td>Macedonia</td>
<td>26.2</td>
<td>22.9</td>
<td>21.6</td>
<td>21.1</td>
<td>16.6</td>
</tr>
<tr>
<td>Kosovo</td>
<td>30.3</td>
<td>33.3</td>
<td>37.0</td>
<td>41.2</td>
<td>49.4</td>
</tr>
</tbody>
</table>


### Table 19: Changing Inequality across Yugoslavia: Poorest and Wealthiest “Loose” while Middle Income Brackets "Win" between the 1960s and 1980s

<table>
<thead>
<tr>
<th>Year</th>
<th>Gini</th>
<th>Lowest fifth</th>
<th>Second fifth</th>
<th>Middle fifth</th>
<th>Fourth fifth</th>
<th>Highest fifth</th>
</tr>
</thead>
<tbody>
<tr>
<td>1963</td>
<td>31.18</td>
<td>8</td>
<td>12</td>
<td>16</td>
<td>17</td>
<td>46</td>
</tr>
<tr>
<td>1973</td>
<td>32.00</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>1978</td>
<td>34.73</td>
<td>6</td>
<td>12</td>
<td>17</td>
<td>24</td>
<td>41</td>
</tr>
<tr>
<td>1985</td>
<td>32.40</td>
<td>7</td>
<td>12</td>
<td>17</td>
<td>23</td>
<td>40</td>
</tr>
<tr>
<td>1988</td>
<td>32.87</td>
<td>7</td>
<td>12</td>
<td>17</td>
<td>24</td>
<td>40</td>
</tr>
<tr>
<td>1990</td>
<td>31.88</td>
<td>7</td>
<td>12</td>
<td>17</td>
<td>24</td>
<td>39</td>
</tr>
</tbody>
</table>

Change(1988-1963): -1 0 1 6 -6

Source: Klaus Derringer and Lyn Squire, 1996
Figure 6: FADURK as Mildly Progressive: Big Increases for Kosovo, Gradual Decreases for Other Three Relative to the GMP

Montenegro’s share of the Fund decreases as its NMP converges the Yugoslav average

\[ y = 1.1x + 70.9 \]
\[ R^2 = 0.238 \]

Kosovo’s share of the Fund increases dramatically as its NMP falls

\[ y = 4.61x + 24.41 \]
\[ R^2 = 0.956 \]

Bosnia’s share of the Fund decreases slightly as its NMP falls slightly

\[ y = -0.6x + 69.6 \]
\[ R^2 = 0.103 \]

Macedonia’s share of the Fund decreases more than its NMP falls

\[ y = -0.2x + 68.4 \]
\[ R^2 = 0.083 \]

Sources: same as Table 8 and Table 9.
Table 20: Stylization of Labor Mobility and Political Regime Types during the Golden Age

<table>
<thead>
<tr>
<th>Regime Type</th>
<th>Labor Mobility (within country and immigration)</th>
<th>High</th>
<th>Low</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authoritarian</td>
<td>Yugoslav</td>
<td>Authoritarian</td>
<td>Low</td>
</tr>
<tr>
<td>Democratic</td>
<td>Unites States</td>
<td>Democratic</td>
<td>Low</td>
</tr>
</tbody>
</table>

Table 21: Federal Agency Tasked with Emigration (1945-1974)

<table>
<thead>
<tr>
<th>Years</th>
<th>Federal Administrative Agency</th>
</tr>
</thead>
<tbody>
<tr>
<td>1945-1946</td>
<td>Ministry of Social Affairs (Ministarstvo za socijalnu politiku)</td>
</tr>
<tr>
<td>1946-1951</td>
<td>Ministry of Labor (Ministarstvo rada)</td>
</tr>
<tr>
<td>1951-1953</td>
<td>Government of FPRY (Vlada FNRJ)</td>
</tr>
<tr>
<td>1954-1956</td>
<td>Federal Executive (SIV)</td>
</tr>
<tr>
<td>1956-1958</td>
<td>Federal Executive (SIV)</td>
</tr>
<tr>
<td>1967-1974</td>
<td>Federal Executive (SIV)</td>
</tr>
</tbody>
</table>

Table 22: Official Estimates of the Largest Emigre Organizations

<table>
<thead>
<tr>
<th>Community</th>
<th>Name</th>
<th>Membership (1,000)</th>
<th>Capital ($ Million)</th>
<th>Publication and Editorial Line</th>
</tr>
</thead>
<tbody>
<tr>
<td>Croat</td>
<td>Hrvatska bratska zajednica (oldest, Pittsburgh, 1894)</td>
<td>110</td>
<td>25</td>
<td><em>Zajedničar</em> circulation of 75,000; “neutral stance toward new Yugolavia”</td>
</tr>
<tr>
<td>Slovene</td>
<td>Slovenska nardna podporna jednota (Chicago)</td>
<td>75</td>
<td>20</td>
<td><em>Prosveta</em>; “comparatively most positive stance relativno toward new Yugolavia”</td>
</tr>
<tr>
<td>Serb</td>
<td>Srpski narodni savez (Pittsburg)</td>
<td>20</td>
<td>4</td>
<td><em>Srbobran</em>; “exceptionally negative stance toward new Yugolavia, like all émigré organization of Serbs in the US and Canada”</td>
</tr>
</tbody>
</table>

Table 23: Remittance Inflows to Yugoslavia, 1954-1981 ( Millions $US, Current)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount</td>
<td>5.3</td>
<td>15.0</td>
<td>17.0</td>
<td>41.2</td>
<td>95.2</td>
<td>251.3</td>
<td>868.0</td>
<td>1,953.0</td>
<td>2,890.0</td>
<td>5,098.9</td>
</tr>
</tbody>
</table>


Figure 7: Entry and Exit Trends within the League of Communist of Yugoslavia (1958-1977)

Table 24: Types of Less Severe Sanctions than Expulsion and their Ordering (1957-1975)

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Warning</td>
<td>Warning</td>
<td>NO DATA</td>
<td>Warning</td>
</tr>
<tr>
<td>Reprimand</td>
<td>Reprimand</td>
<td>Last warning</td>
<td>Last warning</td>
</tr>
<tr>
<td>Severe reprimand</td>
<td>Severe reprimand</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Last warning</td>
<td>Last warning</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: *: additional sanction issued in conjunction with another disciplinary measure

Sources: Census57:16; Socijalna Struktura ‘67:Tb46; Census75: 91;
### Table 25: Ordering and Reasons for Expulsions in 1958, 1962, 1966 and 1975 ("Ideological deviations" bolded)

<table>
<thead>
<tr>
<th>Reason for Expulsion (1958)</th>
<th>Total</th>
<th>Sr</th>
<th>Cr</th>
<th>B-H</th>
<th>Sl</th>
<th>Mc</th>
<th>Mn</th>
<th>JNA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ideological-political deviations</td>
<td>596</td>
<td>281</td>
<td>115</td>
<td>87</td>
<td>22</td>
<td>19</td>
<td>20</td>
<td>52</td>
</tr>
<tr>
<td>Economic crimes</td>
<td>1,450</td>
<td>727</td>
<td>263</td>
<td>262</td>
<td>42</td>
<td>61</td>
<td>39</td>
<td>56</td>
</tr>
<tr>
<td>Other criminal activity</td>
<td>901</td>
<td>353</td>
<td>181</td>
<td>130</td>
<td>116</td>
<td>26</td>
<td>26</td>
<td>69</td>
</tr>
<tr>
<td>Lack of discipline</td>
<td>8,373</td>
<td>4,553</td>
<td>1,471</td>
<td>1,141</td>
<td>648</td>
<td>262</td>
<td>184</td>
<td>114</td>
</tr>
<tr>
<td>Failings in personal life</td>
<td>1,208</td>
<td>616</td>
<td>174</td>
<td>232</td>
<td>45</td>
<td>30</td>
<td>33</td>
<td>78</td>
</tr>
<tr>
<td>Other</td>
<td>3,034</td>
<td>923</td>
<td>1,086</td>
<td>523</td>
<td>238</td>
<td>144</td>
<td>31</td>
<td>89</td>
</tr>
<tr>
<td>Total</td>
<td>15,562</td>
<td>7,453</td>
<td>3,290</td>
<td>2,375</td>
<td>1,111</td>
<td>542</td>
<td>333</td>
<td>458</td>
</tr>
</tbody>
</table>

### Reasons for Expulsions (1962)

<table>
<thead>
<tr>
<th>Deviation from ideological-political positions of the League of Communists</th>
<th>Total</th>
<th>Sr</th>
<th>Cr</th>
<th>B-H</th>
<th>Sl</th>
<th>Mc</th>
<th>Mn</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impugning the character of a party member</td>
<td>3,853</td>
<td>1,756</td>
<td>775</td>
<td>633</td>
<td>433</td>
<td>145</td>
<td>101</td>
</tr>
<tr>
<td>Lack of discipline</td>
<td>3,595</td>
<td>1,598</td>
<td>786</td>
<td>545</td>
<td>510</td>
<td>115</td>
<td>41</td>
</tr>
<tr>
<td>Total</td>
<td>8,645</td>
<td>3,811</td>
<td>1,904</td>
<td>1,380</td>
<td>1,111</td>
<td>278</td>
<td>161</td>
</tr>
</tbody>
</table>

### Reasons for Expulsion (1966)

<table>
<thead>
<tr>
<th>Deviating from the program, policies and positions of the party and expressing opinions foreign to the party</th>
<th>Total</th>
<th>Sr</th>
<th>Cr</th>
<th>B-H</th>
<th>Sl</th>
<th>Mc</th>
<th>Mn</th>
</tr>
</thead>
<tbody>
<tr>
<td>Political reactionarism and irresponsibility</td>
<td>1,201</td>
<td>218</td>
<td>22</td>
<td>203</td>
<td>79</td>
<td>92</td>
<td>561</td>
</tr>
<tr>
<td>Disregard of constitutional and self-management laws</td>
<td>6,758</td>
<td>653</td>
<td>55</td>
<td>1,466</td>
<td>403</td>
<td>821</td>
<td>3,337</td>
</tr>
<tr>
<td>Religiosity</td>
<td>409</td>
<td>61</td>
<td>4</td>
<td>67</td>
<td>35</td>
<td>22</td>
<td>210</td>
</tr>
<tr>
<td>Lack of discipline</td>
<td>432</td>
<td>84</td>
<td>3</td>
<td>177</td>
<td>10</td>
<td>61</td>
<td>94</td>
</tr>
<tr>
<td>Economic and other crimes</td>
<td>8,110</td>
<td>1,520</td>
<td>33</td>
<td>258</td>
<td>67</td>
<td>57</td>
<td>486</td>
</tr>
<tr>
<td>Total</td>
<td>13,488</td>
<td>3,811</td>
<td>1,904</td>
<td>1,380</td>
<td>1,111</td>
<td>278</td>
<td>161</td>
</tr>
</tbody>
</table>

### Reasons for Expulsion (1975)

<table>
<thead>
<tr>
<th>Deviation from the positions of the League of Communists</th>
<th>Total</th>
<th>B-H</th>
<th>Mn</th>
<th>Cr</th>
<th>Mc</th>
<th>Sl</th>
<th>Sr</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disregard for self-management right of working people</td>
<td>530</td>
<td>135</td>
<td>18</td>
<td>45</td>
<td>13</td>
<td>36</td>
<td>250</td>
</tr>
<tr>
<td>Breaking laws (criminal and other prosecutable offenses)</td>
<td>1,013</td>
<td>201</td>
<td>29</td>
<td>39</td>
<td>50</td>
<td>72</td>
<td>200</td>
</tr>
<tr>
<td>National intolerance, chauvinism and unitarism</td>
<td>120</td>
<td>16</td>
<td>18</td>
<td>19</td>
<td>19</td>
<td>7</td>
<td>200</td>
</tr>
<tr>
<td>Groupist and factionalist activities</td>
<td>388</td>
<td>38</td>
<td>25</td>
<td>155</td>
<td>11</td>
<td>2</td>
<td>157</td>
</tr>
<tr>
<td>Spreading untruths and disinformation for the purpose of politically and morally disqualifying other people</td>
<td>347</td>
<td>51</td>
<td>8</td>
<td>190</td>
<td>9</td>
<td>6</td>
<td>75</td>
</tr>
<tr>
<td>Political irresponsibility and passivity in the execution of responsibility of a party member (unexcused absences from meetings, not paying dues, etc.)</td>
<td>3,105</td>
<td>587</td>
<td>37</td>
<td>534</td>
<td>103</td>
<td>181</td>
<td>1,585</td>
</tr>
<tr>
<td>Total</td>
<td>5,850</td>
<td>1,112</td>
<td>133</td>
<td>1,032</td>
<td>211</td>
<td>304</td>
<td>2,833</td>
</tr>
</tbody>
</table>

Figure 8: Entry and Exits Trends within the League of Communists of Croatia (1962-1977)
Figure 9: Entry and Exit Trends within the League of Communists of Serbia (1962-1977)
Table 26: Party Entry and Exit into Four Macro-Regions of Serbia (1968-1974)

<table>
<thead>
<tr>
<th>Region</th>
<th>Belgrade</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th>Excess “Exits”***</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Expelled</td>
<td>708</td>
<td>401</td>
<td>405</td>
<td>286</td>
<td>833</td>
<td>831</td>
<td>437</td>
<td>383</td>
<td>381</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Disenroll</td>
<td>732</td>
<td>184</td>
<td>349</td>
<td>741</td>
<td>918</td>
<td>594</td>
<td>282</td>
<td>417</td>
<td>93</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Erased*</td>
<td>244</td>
<td>1,085</td>
<td>1,592</td>
<td>4,298</td>
<td>2,759</td>
<td>1,209</td>
<td>3,324</td>
<td>1,785</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Died</td>
<td>185</td>
<td>68</td>
<td>83</td>
<td>277</td>
<td>255</td>
<td>347</td>
<td>251</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total Official</td>
<td>107,277</td>
<td>109,228</td>
<td>112,035</td>
<td>113,356</td>
<td>114,669</td>
<td>116,214</td>
<td>134,013</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total Estimated</td>
<td>106,067</td>
<td>109,848</td>
<td>110,728</td>
<td>113,094</td>
<td>118,489</td>
<td>134,198</td>
<td>4,124</td>
<td>2,259</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Unregistered</td>
<td>3,161</td>
<td>2,187</td>
<td>2,628</td>
<td>1,575</td>
<td>1,575</td>
<td>2,275</td>
<td>-185</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Vojvodina</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Enter</td>
<td>28,672</td>
<td>8,054</td>
<td>5,491</td>
<td>7,101</td>
<td>10,781</td>
<td>22,801</td>
<td>25,862</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Expelled</td>
<td>3,801</td>
<td>3,399</td>
<td>3,438</td>
<td>2,214</td>
<td>3,532</td>
<td>3,457</td>
<td>3,142</td>
<td>319</td>
<td>-756</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Disenroll</td>
<td>2,564</td>
<td>2,514</td>
<td>2,608</td>
<td>2,502</td>
<td>2,058</td>
<td>975</td>
<td>434</td>
<td>-489</td>
<td>-1,572</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Erased*</td>
<td>2,100</td>
<td>4,460</td>
<td>3,891</td>
<td>5,116</td>
<td>2,459</td>
<td>2,592</td>
<td>2,922</td>
<td>2,503</td>
<td>-154</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Died</td>
<td>242</td>
<td>231</td>
<td>394</td>
<td>350</td>
<td>456</td>
<td>358</td>
<td>387</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total Official</td>
<td>197,816</td>
<td>190,525</td>
<td>178,939</td>
<td>169,610</td>
<td>164,782</td>
<td>180,475</td>
<td>201,087</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total Estimated</td>
<td>199,917</td>
<td>192,217</td>
<td>183,260</td>
<td>176,702</td>
<td>185,781</td>
<td>203,741</td>
<td>2,333</td>
<td>-2,482</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Unregistered</td>
<td>-9,392</td>
<td>-13,278</td>
<td>-13,650</td>
<td>-11,920</td>
<td>-5,306</td>
<td>-2,654</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Kosovo</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Enter</td>
<td>7,538</td>
<td>1,877</td>
<td>787</td>
<td>778</td>
<td>1,946</td>
<td>6,355</td>
<td>5,678</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Expelled</td>
<td>615</td>
<td>1,204</td>
<td>688</td>
<td>247</td>
<td>542</td>
<td>708</td>
<td>211</td>
<td>147</td>
<td>20</td>
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</tr>
<tr>
<td></td>
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<td>230</td>
<td>333</td>
<td>102</td>
<td>141</td>
<td>156</td>
<td>49</td>
<td>-63</td>
<td>-48</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Erased*</td>
<td>600</td>
<td>1,121</td>
<td>345</td>
<td>511</td>
<td>784</td>
<td>289</td>
<td>95</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Died</td>
<td>60</td>
<td>42</td>
<td>131</td>
<td>91</td>
<td>113</td>
<td>130</td>
<td>139</td>
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</tr>
<tr>
<td></td>
<td>Total Official</td>
<td>50,416</td>
<td>48,266</td>
<td>45,004</td>
<td>44,512</td>
<td>43,916</td>
<td>47,791</td>
<td>52,437</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total Estimated</td>
<td>50,607</td>
<td>48,631</td>
<td>46,773</td>
<td>45,636</td>
<td>49,728</td>
<td>53,483</td>
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<td>-1,720</td>
<td>-1,937</td>
<td>-1,046</td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

Source: ASr, fDJ2, b277, Centralni komitet SKSr, Statistički izveštaji, 1974-1978, “Statistički podaci o SK Srbije” (Belgrade, December 1976); Notes:
*: Erased a sub-type of expulsions by the party’s Statute until 1969 (note the tendency of expulsions to decrease while erasures increase before the purge;
'': Unregistered= Total Estimated-Total Official; Especially high values bolded;
Figure 10: Entry and Exit Trends within the League of Communists of Slovenia (1962-1977)
Figure 11: Sources of Decreases in Croatia’s Party (1960s v Purge)

Figure 12: Sources of Decreases in Serbia’s Party (1960s v Purge)

Figure 13: Sources of Decreases in Slovenia’s Party (1960s v Purge)

Table 27: Sources of Decrease among Republics (1960s vs. Purge)

<table>
<thead>
<tr>
<th></th>
<th>Croatia</th>
<th>Serbia ('72/'73)</th>
<th>Serbia ('72)</th>
<th>Slovenia</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ave. Expulsions</td>
<td>2,393</td>
<td>6,466</td>
<td>6,466</td>
<td>940</td>
</tr>
<tr>
<td>Expulsions '72</td>
<td>3,140</td>
<td>6,383</td>
<td>5,894</td>
<td>800</td>
</tr>
<tr>
<td>Excess</td>
<td>747</td>
<td>-83</td>
<td>-573</td>
<td>-140</td>
</tr>
<tr>
<td>Ave. Erasures</td>
<td>3,979</td>
<td>5,946</td>
<td>5,946</td>
<td>1,160</td>
</tr>
<tr>
<td>Erasures '72</td>
<td>6,121</td>
<td>11,827</td>
<td>9,561</td>
<td>2,913</td>
</tr>
<tr>
<td>Excess</td>
<td>2,142</td>
<td>5,881</td>
<td>3,615</td>
<td>1,753</td>
</tr>
<tr>
<td>Ave. Disenrollment</td>
<td>2,490</td>
<td>3,977</td>
<td>3,977</td>
<td>938</td>
</tr>
<tr>
<td>Disenrollment '72</td>
<td>2,632</td>
<td>4,548</td>
<td>3,439</td>
<td>2,138</td>
</tr>
<tr>
<td>Excess</td>
<td>143</td>
<td>571</td>
<td>-538</td>
<td>1,200</td>
</tr>
<tr>
<td>Ave. Exits</td>
<td>6,974</td>
<td>12,464</td>
<td>12,464</td>
<td>2,747</td>
</tr>
<tr>
<td>Exits '72</td>
<td>11,893</td>
<td>17,967</td>
<td>18,894</td>
<td>5,851</td>
</tr>
<tr>
<td>Excess</td>
<td>4,919</td>
<td>5,504</td>
<td>6,430</td>
<td>3,104</td>
</tr>
<tr>
<td>Approach to Purging</td>
<td>Socioeconomic Indicators Higher</td>
<td>Socioeconomic Indicators Lower</td>
<td>Effects of Purge on Elites</td>
<td></td>
</tr>
<tr>
<td>---------------------</td>
<td>--------------------------------</td>
<td>-------------------------------</td>
<td>---------------------------</td>
<td></td>
</tr>
<tr>
<td><strong>Extensive</strong></td>
<td>Croatia</td>
<td>Serbia</td>
<td>Greater elite discontinuity</td>
<td></td>
</tr>
<tr>
<td></td>
<td>-absolute number largest but elite relatively large (relatively high HK before World Wars) -criminal proceedings and monitoring of “Action Program”</td>
<td>-relative impact largest; elite relatively smaller than in Croatia (low HK before World Wars and high HK loss in Wars) -complex procedures and slow spread from center to provinces (’74)</td>
<td>-Miška Planinc and Draža Marković really different from Savka Dabčević-Kučar and Marko Nikezić -purges affect leadership posts at all levels of government (federal, entity, municipal)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Slovenia</td>
<td>Macedonia</td>
<td>Greater elite continuity</td>
<td></td>
</tr>
<tr>
<td></td>
<td>-absolute number large but impact comparatively small; elite relatively largest (comparatively highest HK pre-World Wars and limited HK loss in World Wars) -fast resolution</td>
<td>-absolute number small but impact large; elite smallest (low HK before World Wars) -fast resolution</td>
<td>Leadership change dramatic but limited to top cabinet posts and enterprise directors</td>
<td></td>
</tr>
</tbody>
</table>
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Directorate of Intelligence CIA, “Central Intelligence Bulletin no. 42” (10 May 1972).


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Folk, Barbara. “Resistance and Dissent in Central and Eastern Europe An Emerging Historiography.”


"Druže Staljine, Tito kaže: Ne!" *Blic* 29 September 2011.


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------. “Tito Will Have to Make His Position Clear.” *RFE/RL Background Reports* 2 November 1963 (75-2-196).


------. “Yugoslav Party Ideology without Lenin”, 5 July 1972 (HU OSA 300-8-3-10721).

------. “Yugoslavia Between East and West Dissatisfaction Among the Workers; Yugoslav Road to Socialism; George Lukacs Defended,” *RFE/RL* 11 February 1958 (72-2-140).

------. “Yugoslav State Security Service Purged; had Links to Moscow?” *RFE Research* 1 August 1966 (76-4-159): 1-5.


Trevisan, Dessa. “President Tito Likely to Reshuffel his Team.” The Times (London) 31 October: 6.


*Endnotes*


4 Sabina Ramet, *Nationalism and Federalism* 2nd ed.: Chapter 9, esp., 166-174. Ramet cites Slovenia’s Executive Council (Government) decision in the 1982 to allot funds to roads to Austria over the Brotherhood and Unity Highway since Vojvodina, an autonomous province of Serbia, refused to do its share of the building, the Highway would not in any event be completed. Archival records reveal less dramatic instances of non-cooperative behavior.


9 On the Partisan movement, practically each republic had its own history: Pirjevec, Jože, and Božo Repe. *Resistance, Suffering, Hope: The Slovene Partisan Movement 1941-1945.* Ljubljana: National Committee of Union of Societies of Combatants of the Slovene National Liberation Struggle, 2008. The limited ideological commitment to Marxism and the ethnic make-up are better known than the role of women in the Partisan movement: Batinč, Jelena. *Gender, Revolution, and War: The Mobilization of Women in the Yugoslav Partisan Resistance During World War II.* PhD Stanford University, 2009. A critical task for scholarship remains to explain why peasant women participated en masse – fear and safety seem like obvious answers, as does the experience of women during World War One and the collective experience of the break-down of social order, and there may yet be a study of like:
As Audrey Helfant Budding noted, inserting a single word, “odnosno” (“that is”), intentionally introduced ambiguity into nationality policy. The resolution and subsequent key documents featured the formulation that in stylized form reduced to the following: enumerated nations that is peoples (always plural) residing in republics and, after the war, provinces had the listed positive rights. The “that is” introduced an additive principle into nationality policy, specifically in the case Slavic Muslims. (Audrey Helfant Budding, “Nation/People/Republic: Self-determination in Yugoslavia’s Collapse” in Cohen, Lenard J, and Jasna Dragović-Soso. State Collapse in South-Eastern Europe: New Perspectives on Yugoslavia’s Disintegration. West Lafayette, Ind: Purdue University Press, 2008: 91-118)


Rothschild provided figures on the miniscule role played by ethnic Croats and Slovenes in the first Yugoslavia: “Of the 656 ministers in office between the formation of the state [1918] and conclusion of the Sporazum [1939], 452 were Serbs, 49 were Slovenes, 18 were Bosniaks, 26 were Croats who belonged to the Croatian parties, and 111 were Croats regarded as ‘renegades’ for joining the Belgrade governments as unrepresentative individuals over the objections of the Croatian Peasant leadership.” Rothschild, Joseph. East Central Europe between the Two World Wars. Seattle: University of Washington Press, 1974.


The Superpowers established hegemony in all other neighboring countries, split Austria much as Germany had been split, and thus without foreign troops stationed Yugoslavia was distinct from not just from Austria but also from Italy, Hungary, Romania, Bulgaria and Albania. The shared jurisdiction helped numerous consequences, not least the ability of local political elites to perpetuate the “victim myth” and highly constrained lustration in Austria; accommodation among local elites and occupiers: Bischof, Günter. Austria in the First Cold War, 1945-55: The Leverage of the Weak. Houndmills, Basingstoke, Hampshire: Macmillan, 1999; Carafano, James J. Waltzing into the Cold War: The Struggle for Occupied Austria. College Station: Texas A & M University Press, 2002.


19 The precise content shifted slightly, as a comparative reading of decadal celebrations of ANVOJ sessions uncovers (1953, 1963, 1973), yet the basic thrust persisted, maximizing political devolution (state and party) while minimizing security risks (internal and external) entailed by devolution.


For example, AJ, f507/XIII, b10/1, Komisija za razvoj SKJ I kadrovsku politiku, Sednice komisije za razvoj SKJ I kadrovsku politiku u period of 1965 do 1966 godine. Session on 18may1965, “Predlog programa rada Grupe za karovsku politiku I obrazovanje kadorva”: 2

In 1970, for example, with little over a million members in the party some 75,000 belonged to the JNA, which consumed between four and six percent of the national product (HDA, f1220, bD558, Predsedništvo SKJ Izvršni Biro, “Statistički Pregled SKJ za 1970 godinu” (Beograd, jun 1971)). The standard remains: Gow, James. *Legitimacy and the Military: The Yugoslav Crisis*. New York: St. Martin’s Press, 1992. While the JNA remained centralized, substantial analysis exists about the decentralization of coercive authority, not least through the so-called Territorial Guard, which eventually played a decisive role in both Slovenia’s, Croatia’s and Bosnia’s armed bid for independence.


Radio Free Europe carried this quote from Milka Planic from a 12 December 1971 article in Zagreb’s main daily, *Vjesnik*: “Tito said plainly in July of this year, as well as recently [in Karadjordjevo], that if nationalism were allowed to work without control, this would lead to the strengthening of chauvinism, first the one [Croatian] and then the second [Serbian], which means civil war in Yugoslavia. Tito even said that it is better that our army, rather than a foreign army, creates order.” Slobodan Stanković. “Mme. Planinc Replaces Mme. Dabcevic-Kucar As Head of Croatia’s Party -- Crvenkovski Attacked” *RFE* (1971-12-14, 79-3-18).

According to Dragutin Haramija, Dr. Savka Dabčević-Kučar, the party leader in Croatia, first used the term “mass movement” (“masovni pokret”) during the XXII Session Croatia’s Central Committee, and the shorthand term, “maspok,” was used in Karadjordjevo and then stuck in public and scholarly debates. Critically, as a linguistic construction, maspok, reveals how much the milieu “spoke Bolshevik” because the construction replicates the abbreviation style used in the more famous “Gosplan” (State Committee for Planning) or “Gosbank” (the only bank in the Soviet Union until Perestroika). Dragutin Haramija, “Nisam htio biti statist,” in Baletić, Milovan, ed. *Ljudi iz 1971: Prekinuta Sutnja*. Zagreb: Dopunski Izdavački Program Vjesnik, 1990: 326; the reference to speaking
Bolshevik is from Stephen Kotkin’s *Magnetic Mountain: Stalinism as a Civilization*. Berkeley: University of California Press, 1995, and will receive more attention in a later chapter.


30 Internal pagination seemed more appropriate given the reliance on single source. The archival source most used in this section comes from Arhiv Republike Slovenije from the collection, accessible since 1991 to the public, namely the League of Socialists of Slovenia (Zgodovinska arhiva Centralnega Komiteja Zveze Komunistov Slovenije), f1589, b1183, 21 seja Presedstva ZKJ, “I i II dio Matentofonskog snimka sa sastanka druga Tita s članovima Izvršnog komiteta i rukovodiocima društveno-političkih organizacija, Sabora i Izvršnog vijeća SR Hrvatske, održavnog 30.XI i 1.XII 1971.g. u Karadjordjevu”; a stenogram of the second part of the meeting also exists in the Archives of Yugoslavia, the collection of the Federal Executive Council (Savezno izvršno veće), f130, b1318, “21 Sednica Predsedništva SKJ, Karadjordevo, 1 i 2 XII 1972.” In transcribed form, both meetings appear in: Pišković, Milan. *Sjeća Hrvatske u Karadordevu 1971: Autorizirani Zapisnik*. Zagreb: Meditor, 1994.

31 All party organizations received the stenograph with express instructions to study and discuss the proceedings internally but given its classification as highly confidential, party members could not discuss the stenograph publicly, including Tito’s assessment that Croatia dithered on the brink of civil war and that negative developments “exist in other republics. We’ll have to go elsewhere after.” (Vol1:16) The episode reveals the ubiquitous place of information asymmetry within an authoritarian society and specifically the rigid distinction between mutual and shared knowledge: everyone within the party knew that the emperor has no clothes but no one could discuss the discuss this openly, which in turn fueled resentment after the purges because the purgers endlessly spread their key points while the purged had to remain silent. Perhs the fullest recent treatment by a witness to many of the events: Bilandžić, Dušan. *Hrvatska Moderna Povijest*. Zagreb: Golden marketing, 1999: 648-56.

32 Both recently died, and apparently never spoke after Milka took up Savka’s place – the two were ubiquitously referred to by their first name – in which she stayed through 1981, until becoming the first female President of Yugoslavia (1982-1986). Planinc, from a mixed Croatian and Serbian background, hailed from Drniš, and she witnessed some of the darkest moments of World War Two, including, it seems, the mass executions of thousands of political enemies in Slovenia, where the retreating Germans and their supporters, including the White Guard, the Ustasha, the Serbian and Montenegrin Chetniks, the Royalists and others whose mass graves were excavated only after 2000. (Dejan Djkocić’s empathic obituary in *The Guardian* compares Planinc to Margaret Thatcher; he might have added that if the “iron lady” of Yugoslavia had not supported the purges, she might well have had a Freidrich von Hayek to help her navigate the draconian austerity measures demanded by the IMF in the early 1980s; “Milka Planinc obituary, Yugoslav leader who was the first female prime minister of a communist country,” 10 October 2010) Other opponents included: Srečko Bilić and Dr. Dušan Dragosavac, another development economist and probably senior ethnic Serb in Croatia’s elite).

Part of Slovene effort to come to terms with its communist past: Elste, Alfred, Michael Koschat, and Paul Strohmaier. *Opfer, Täter, Denunzianten: "Partisanenjustiz" Am Beispiel Der Verschleppungen in Kärnten Und Der


The exchange between Dabčević-Kučar and Tito showed how “embedded” the elites were in the international system and willing to follow Western practices (a convertible currency as a way to compete on international markets). More generally, Yugoslavia’s economic “third way,” routinely called self-management, broke with rigid planning but could not adapt to solve issues like the currency regime, and thus exhibited both double-digit unemployment and inflation from the early 1960s, a veritable scissor effect described in the chapter on the reasons for market-augmenting reforms.

34 A novel framework amounted to revisionism, such as that proposed by Milovan Djinča, who exhorted his comrades in arms, the “new class,” to abandon authoritarian politics (but not rapid industrialization) as a way to resolve the bind. Djinča, Milovan. The New Class: An Analysis of the Communist System. New York: Praeger, 1957.

35 The one reason she lists for this that is not recognizably ideological boils down to the act of communication -- interpersonal communication among comrades has taken such a form that it “increases mistrust instead of building up trust.” (Vol1: 29)


37 Of some 40 people present, the statements of 19 appear in the stenograph and fall roughly into two camps, namely those who expressed more and those who expressed less direct personal responsibility for the crisis. A later chapter presents supporters with more nuances. For now, Savka Dabčević-Kučar subdivides the reformers into two camps, the Spring-timers (“prolećari”), or the “hard core” supporters: (1) Federal-level officials: Mika Tripalo, the Executive Council of the Yugoslav party; Mirjana Kristinić and Jakov Sirotković in the Federal Executive Council; (2) Republican-level officials: apart from Savka Dabčević-Kučar, the President of Croatia’s Central Committee; Pero Pirker, the Secretary of the Executive Committee of the Central Committee; and Dragutin Haramija, the President of the Executive Council (Government) of Croatia. The second group comprises of partial supports or “fellow travelers”: President of Sabor, Jakov Blazević; Vice-President of the Saveza sindikata of Croatia, Jure Šarić; President of the Socialist Alliance of Croatia (Socijalističkog saveza Hrvatske), Stjepan Ivić; President of the Zagreb City Communist Alliance, Srečko Bijelić.

38 He began his discussion by saying that he felt as if he had been preparing himself for this moment since he began Communist Youth (SKOJ) activism as a teenager in 1941 – both camps brandished their Partisan credentials, so
much so that the absence of martial references from the female members, who also partook in World War II fighting, jumps out.

Unlike the interwar Ministry of Interior, the socialist one was no less Serb-dominated, just unconstrained by bourgeois morality or legality, as belied by the brutal treatment of Stalin’s supporters after the split with the Cominform. The brutal prosecution of enemies, particularly of ideological ones, takes its name from him, “rankovičeština,” or “rankovicheština” to use more familiar diacritics that connect the term to its Soviet processor, “jezhovshchina,” after the dreaded Nikolai Yezhov, the chief security services hack behind Stalin’s “great purge.” Pirker does his own “don’t think of an elephant,” by saying “I won’t call that period rankovičeština” (Vol1:61) Draža Marković, the successor of the key liberal from Serbia, Marko Nikezić, complained that the derogatory term had been used with excessive inclusiveness, suggesting that rankovičeština remains practically synonymous with Serbs (Burg, Steven L. Conflict and Cohesion in Socialist Yugoslavia: Political Decision Making Since 1966. Princeton, N.J: Princeton University Press, 1983: 169).

All three receive greater attention in the succeeding chapters. Suffice it to note here that about 10% of the economically active population departed from Croatia between the early 1960s and the 1971 Census.

It may appear as over-reading to note that masses -- a class term -- means here Croat masses and that a base-line level of anti-Serbian sentiment among said masses existed, but had not risen. Yet, Pirker next described where ethnic outbursts took place, namely Kordun, Slavonija and Dalmatia, and places where outbursts had not taken place, Varazdin, Medjimurje, Bjelovar and parts of the coast (Istria, Gorski kotar). His list revealed that incidents tended to take place in ethnically mixed regions, including the so-called Militärgrenze macro-regions of Kordun and Slavonia, the sites of internecine violence during World War Two (and the 1990s Homeland War), while those regions without reported incidents were comparatively more ethnically homogenous areas (Vol1: 80-81). Why had not Pirker acknowledged clearly that few incidents took place but, worryingly, the few that did, took place in regions with a history of internecine violence? Saying this would be like saying that class conflict existed in the Soviet Union, a politically unacceptable statement because the great October Revolution solved the class question and so no conflict could officially exist (except in the eyes of counter-revolutionaries like Milovan Djilas who heretically argued that a “new class” had emerged). To give some sense of the figures involved: Dulić, Tomislav. “Mass Killing in the Independent State of Croatia, 1941–1945: A Case for Comparative Research.” Journal of Genocide Research. 8.3 (2006).

In absence of an acceptable arrangement for distribution, Yugoslavia’s macro-regions adapted much as nations adapted to the collapse of international trade during the 1930s, and became “closed” or autarchic: local products or outputs such as hotels or ships stem as much as possible from local inputs, including foodstuffs and building material. Tito admonished leaders from republics, at least since the early 1960s that he wanted “one economy, not six,” meaning one unified Yugoslav economy and not six republic-based economies, and precisely his support for creating a unified Yugoslav economy explains a significant reason for his initial approval of the reformers’ market-oriented approach. (Arhiv Slovenije, Osebni fond Borisa Kraigherja, f1529, b24, Conversations, 1962 to 1965, Notes on meeting with Tito, 17 November 1962.)

First comes the drive of the state apparatus in Belgrade to dominate over others and then the reaction includes nationalist outbursts, in absence of access of powerful enough institutional means to halt the Belgrade state. Taken a step further, the framework of proactive unitarism-reactive separatism degenerated into dangerously dogmatic rhetoric. During the 1980s national revivals, the location of the federal capital, Belgrade, became less important that the capital’s ethnically Serb majority, the distinction between the federal center exploiting the republics devolved into the Serbs exploiting the non-Serbs – thus the pejorative term Serboslavia -- and, of course, vice versa (assertive republics degenerated into anti-Serb minorities).
The grievances and responses revealed the trade-offs republic-based elites across Yugoslavia faced by 1971. Decentralization during the 1960s led to a choice between following Stalin’s 1924 dictum of “building socialism in one country,” Yugoslavia, and building “socialism in one republic,” their own. For Tito and his supporters, as the chapter on liberalism will show, an increase in intra-republic welfare transfers directly threatened a key redistributive mechanism the federal regime retained after the passage of the 1968 and 1971 constitutional amendments, namely transfers in the form of guaranteed and highly subsidized loans from officially developed regions (Slovenia, Croatia, Vojvodina and Serbia) to officially poorest ones (Bosnia, Montenegro, Macedonia and Kosovo).

Haramija stated, as the proposal for 1971 amendments devolved federal power to republics that “some say that these regions [Banije, Korduna, Like, Dalmatiske zagore] has been neglected, and then they add a national overtone to these assertions, because it it said that the national composition of those areas is such that Croats or Croatia is not interested in their development. I think that the figures I cited debunk such a position.” HrDA, f1220, bD5650, “Zapisnik sa savetovanja o ekonomskoj politici i mj erama za ubrzaniji razvoj privrednog nedovoljno razvijenih krajeva SR Hrvatske u razbodlju 1971-1975 godine koje je održano u Kninu 5.II.1971 god”: 45.

In a later chapter, I show how framing transfers in a zero-sum manner also implicitly, and regrettabl y, framed the Yugoslav national question in a zero-sum manner, something that threatened to spark internecine violence. In Slovenia, arguments about the need to lessen transfers to the federation do not translate immediately into the national question – Slovenia’s comparatively smaller issues with highly concentrated and numerically small non-Slovene minorities (Hungarian) posed far fewer problems. More money for Slovenia means less money for the rest of the federation and Slovenia first stopped paying into the federal fund for the underdeveloped regions, FADURK, in January 1990, followed by Croatia in July (Ramet, Sabrina P. Nationalism and Federalism in Yugoslavia, 1962-1991. Bloomington: Indiana University Press, 1992: 161). More money for Croatia meant also less money for the rest of the federation, including for Bosnia where some of the most underdeveloped regions still today have local Croat majorities (parts of Herzegovina, including the well-know Medjugorje region with the Virgin Mary apparitions). However, more money for regions within Croatia, including or especially those with local Serb majorities, appeared doubly regressive (ethnic Serb “captured” the state apparatus and “their” regions would receive even more development aid). The number of Serbs residing in Croatia (about 540,000 in 1948 and 630,000 in 1971) remained smaller than the number of Croats in Bosnia (about 610,000 in 1948 and 770,000 in 1971), so opposing progressive transfers would appear counter-intuitive from one point of view for the elite in Croatia, and/or suggested the importance of local constituencies.


Tendency had a ubiquitous place in socialist-speak, and signified a vaguer, and thus safer, version of trend. *Fausse nouvelle(s)* cite Bloch; Paul Fussell *The Great War and Modern Memory*, esp. “Rumor, Fiction, Belief”, 115-125. The citation offers an opportunity to acknowledge Susanna Barrows, who introduced me to Bloch and Fussell.

One question raised by invoking Lenin concerns the impact of Leninist ideology on political elites – how well had elites understood Lenin’s or, for that matter, Marx’s writings? A far broader reading of the sources promises to reveal the answer to this question, and the contribution here is to highlight the invocations of the discernibly ideological invocation (keeping in mind that huge potential for “false positives” and “false negatives”). In practically the same breadth, Tripalo noted that a “large majority” in Croatia accepted the constitutional amendments, revealing how the elite actually ruled with keen concern for public opinion rather than governed with something resembling consent, limiting considerably the utility of reconstructing too closely the ideological commitments of politicians.

An example of permitting the national ahead of the class, mentioned critically no fewer than three times by various speakers, including the most powerful republican politician, Vladimir Bakarić, was a controversial history textbook reviewed for publication by former general and PhD historian, and subsequently Croatia’s fist post-socialist president, Franjo Tudjman, and served as one. Bakarić uncharacteristically bluntly stated that Franjo Tudjman “hasn’t a clue (“nema pojma”) but he published *The History of the Croatian People (Povjest Hrvatskog naroda).”* (Sjeća: 140) Indeed, Savka Dabčević-Kučar, as a prelude to her eight-point synopsis of the meeting uses parallelism, namely “now in teaching plans for elementary school curricula one part which covers Serbian history in Croatia has been thrown out, which is the greatest insolence (“bezobrazluk”) and political insurgency. But, it is also the case that earlier there was not developed [in the curriculum] a number of things from Croatian history.” (Vol2: 298-9; 301)


According to Dragutin Haramija, Dr. Savka Dabčević-Kučar, the party leader in Croatia, first used the term “mass movement” (“masovni pokret”) during the XXII Session Croatia’s Central Committee, and the shorthand term, “maspok,” was used in Karadjordjevo and then stuck in public and scholarly debates. Critically, as a linguistic construction, maspok, reveals how much the milieu “spoke Bolshevik” because the construction replicates the abbreviation style used in the more famous “Gosplan” (State Committee for Planning) or “Gosbank” (the only bank in the Soviet Union until Perestroika) (Dragutin Haramija, “Nisam htio biti statist,” in Baletić, Milovan, ed. *Ljudi iz 1971: Prekinuta Šutnja*. Zagreb: Dopunski Izdavacki Program Vjesnik, 1990: 326; the reference to speaking Bolshevik is from Stephen Kotkin’s *Magnetic Mountain: Stalinism as a Civilization*. Berkeley: University of California Press, 1995, and will receive more attention in a later chapter).

Note Dennison Rusinow’s statement about fascism in one of his reports on the Croatian Spring that Gale Stokes states that Rusinow later regretted – Tito made the comparison, explicitly but clearly as an exaggeration. Rusinow, Dennison I, and Gale Stokes. Yugoslavia: Oblique Insights and Observations. Pittsburgh, Pa: University of Pittsburgh Press, 2008: xii.

Note that Bilandžić does not mention enumeration in his account at all: 649-653.

In describing the emergence of “gnjilog liberalizma” “rotten liberalism” (Vol2: 322) of the class enemy, he also used parallelism to visceral, chilling effect, and with imagery rooted in the Partisan struggle: the opposition are called Communist “executioners,” their victory will lead to the “hanging of Communists,” but Tito will take the opposition to the “jame” (“pits”), so that the opposition can see “where they cut throats and threw in[to pits their victims] while the Ustaša were in power, [j]ust as the četnics had done.” (“jame da vide gde su rezali grkljene i bacali, dok su ustaše bile na vlasti. Kao što su i četnici isto tako radili.”) (Vol2: 323)

The powerful Veterans’ Association quoted precisely this statement in its report back to the Central Committee, which had demanded that every organization examine its responsibility for the crisis (HDA, f1220, b D5818, Zagreb City Committee, Regional Committee of SKH, Gradski odbor SUBNOR-a Zagreb, Plenary session, 23-24 December 1971: 2).

Aleksa Djilas described this as one of four equalities, the first being equal duties and rights regardless of nationality or religion of every citizen, six republics with equal rights and duties, equality of groups, national, religious or other, and all made an equal contribution to the war effort. Djilas, Aleksa. The Contested Country: Yugoslav Unity and Communist Revolution, 1919-1953. Cambridge, Mass: Harvard University Press, 1991: 160-163.


Fernand Breudel with the longue duree- moyenne duree - courte duree or structure, conjoncture; evenement; Stoianovich, Traian. French Historical Method: The Annales Paradigm. Ithaca, N.Y: Cornell University Press, 1976; Burke, Peter. The French Historical Revolution: The Annales School, 1929-89. Stanford, Calif: Stanford University Press, 1990. One emblematic phrase that described the consequence of increased Atlantic trade, which “destroyed the age-old privilege, which for a time had been the sole repository of the riches of the ‘Indies.’”

65 Previous authors used a similar approach, for example, consider the statement of one of the foremost jurists from socialist-era Croatia and Yugoslavia: “Before dealing with the constitutional developments and the present constitutional structure of Yugoslavia it is essential to give concise consideration to three decisive factors: ideology, social and national composition, and Soviet impact.” Ivo Lepenna, “Main Features of the Yugoslav Constitution 1946-1971,” *The International and Comparative Law Quarterly* 21.2 (Apr., 1972): 209-229.


72 The 2004 forward to the reissued volume cogently summarized the point, “Zagreb became not just the largest financial but industrial and trade center of the country [royalist Yugoslavia] – but lost administrative and political influence, which the Croats had difficulty in accepting. Political and military power was centered in Belgrade, which offered Srbijanci [Serbs residing within pre-Balkan Wars borders] a way to compensate for their economic backwardness with political power.” Dujšin, Uroš. “Predgovor,” in Bićanić, Rudolf. *Ekonomska Podloga Hrvatskog Pitanja*. Zagreb: Dom i svijet, 2004: 21.
Particularly effective visual aids include a map of the spread of subsidized agricultural loans that match closely the ethnic distribution of Serbs – for example, the Krajina region, mentioned in the next chapter, received loans, but not Zagorje – and a chart showing that Serbia received ten times the funds that Croatia received for building railways (222, 143). Bičanić, Rudolf. *Ekonomski Podloga Hrvatskog Pitanja*. Zagreb: Dom i svijet, 2004: 233.


A fascinating transformation from an orthodox communist to an ethnic nationalist: His father died in the Partisans and he joined in 1944 at age 17, and continued a military career until the mid-1950s, when he chose to study law in Zagreb. Rudolf Bičanić mentored him, he studied macroeconomics in the Haag in 1962, then filed a PhD in Law and another in Economics in 1964 and 1965 and lectured at the Law Faculty. He was Economics Secretary in Matica
Hrvatska during the Croatian Spring and had heated exchange with the hard-liner theoretician, Stipe Šuvar, in 1971. His arrest and lengthy trial and prison sentence (some five years in the Lepoglava prison) stand out for harshness, but he had not been fired from the University, and resumed work after Tito’s death in 1981, in the Institute for Public Finance. He briefly served as Minister of Defense in 1991.


83 Economists benefited greatly from Yugoslavia’s openness to the West, and the visiting program receives deserved attention in: Bockman, Johanna. *Markets in the Name of Socialism: The Left-Wing Origins of Neoliberalism.* Stanford, California: Stanford University Press, 2011. Šime Djodan, an economist prominent in the Croatian Spring, is one example, while Williams College served as an early hub (Popov, Zoran. *Comparative Analysis of Economic Development in Bulgaria and Yugoslavia.* (M.A.)--Williams College, Center for Development Economics, 1965.)


91 Nye, Joseph S. *Soft Power: The Means to Success in World Politics.* New York: Public Affairs, 2004. He jailed Milovan Djilas, at the time considered Tito’s heir apparent and, as the debate on reformism confirmed, even adopted part of the reform platform.


Tito’s veto explains why a system of formally rotating the highest posts among republics and provinces emerged and dominated the political system after his death – posts were assigned “according to key” ("po ključu") to lessen bargaining conflicts. As the debates amply show, a kind of “negative conditioning” preceded and helped precipitate rotation: with Tito’s intervention assured, its possible to see why competing elites would let problems reach such a stage so that, in effect, Tito, and they, make the really tough decisions, which in turn teaches elites to delay or prolong or avoid not just bargaining but talking about the toughest issues. Commitment to incorporating women if not to gender equality explained the leading role of women within Croatia’s leadership – after Vida Tomšić served as President of Slovenia’s Parliament in 1961-1962, Savka Dabčević-Kučar held a similarly high government post in Croatia after 1969. A recent overview: Ramet, Sabrina P. *Gender Politics in the Western Balkans: Women and Society in Yugoslavia and the Yugoslav Successor States*. University Park, Pa: Pennsylvania State University Press, 1999.


Joseph Stalin set the party line on self-criticism in a famous June 1928 *Pravda* article, “Against Vulgarising the Slogan of Self-Criticism” in which he specifically cites Lenin’s affirmative use of self-criticism in his 1904 polemic, “One Step Forward, Two Steps Back.”


Recall that Bilandžić identified this from the very onset of socialist regime. (Bilandžić, Dušan. *Hrvatska Moderna Povijest*. Zagreb: Golden marketing, 1999: 262.) To give an example of parallelism from perhaps the most hard-lined and terse discussion by Jelica Radijočević, the only one to immediately intimate that she considered resigning from all posts. She stated that the split in the party did not exist in the top leadership but rather on the mass level: speaking of an inter-municipal party conference of Karlovac, where she “forcefully settled accounts [razračunala]
with two party leaders, Serbs by nationality, who took up a Serb nationalist platform as a counter to Croat nationalism” (Sjeća: 108). She then proceeded to critique the rise of nationalism among her Croat comrades. (For another example, Antic, Zdenko. “Political Influence of Yugoslavia's Veterans,” RFE/RL Background Reports 1973-4-10 (81-1-138): 2. Recent research addressed the transmission of political culture across regime-types (Habsburg or Ottoman to royalist to socialist to post-socialist), yet specific mechanism of such transmission requires additional specification, for instance the church in Hungary. (Wittenberg, Jason. Crucibles of Political Loyalty: Church Institutions and Electoral Continuity in Hungary. New York: Cambridge University Press, 2006.)


101 Solving all national questions need not have closed the Yugoslav question. Indeed, as the regime addressed each discreet national question, the regime implicitly “tweaked” the answer to the question “Who were the Yugoslavs?” Sekulić, Duško, et al., “Who Were the Yugoslavs: Failed Sources of a Common Identity in the Former Yugoslavia.” American Sociological Review 59.1 (February 1994): 83-97.


107 Budding. “Yugoslavs into Serbs”; 410.


110 ASr, DJ2, b78, CKSKS, 29 Sednica, Zatvorena (14 May 1971): 19/1 JT.

111 The dichotomy established in: Brubaker, Rogers. Citizenship and Nationhood in France and Germany. Cambridge, Mass: Harvard University Press, 1992. Balkanization existed as a term in the 1840s and consistently overshadowed Yugoslavization, so much so that unlike the later the former term entered Standard English language dictionaries. Balkanization implied a contested decoupling of a compound into constituent components (ethno-
religiously heterogeneous political community into a homogeneous one), while Yugoslavization here means the reverse process. The chapter on liberalism discussed the factoring and splicing processes in detail.

Google Books permits an extensive search, and its Ngrams program a compelling visualization:

![Graph showing trends in Balkanization and Yugoslavization](http://books.google.com/ngrams/graph?content=Balkanization%2CYugoslavization&year_start=1830&year_end=2010&corpus=0&smoothing=3)

For instance, according to the 1958 Census, party members had a “nationality,” and could be Serb, Croat, Slovene, Macedonian, Montenegrin or Other, while in the 1973 Census, they had a “national affiliation,” and could be Montenegrin, Croat, Muslim, Slovene, Serb, Albanian, Bulgarian, Czech, Italian, Hungarian, Romanian, Slovak, Turkish, Other. (AJ, f507/XII, b44/3. Komisija za razvoj SKJ I kadrovsku politiku, Tabelarni i statisticki pregledi clanstva SKJ, 1958; AJ, f507/XIII, b30/13. Statistički pregled SKJ za 1973 godinu, Beograd, August 1974.)


The difficulty of ethnic boarders not matching political ones comes to the fore, considering that only Slovenia had a titular nationality compactly concentrated within its borders. An exceptional and little used source by one of Slovenia’s, and Yugoslavia’s, most distinguished demographers: Breznik, Dušan. *Stanovništvo Jugoslavije*. Titograd: Chronos, 1991.


121 The distinction amounts to constituent units entrusting the federal center to achieve what the units could not alone (provide security, a large internal market, etc.), whereas in the later the federal center entrusts the units with responsibilities to solve grievances. Stepan, Alfred C. "Federalism and Democracy: Beyond the U.S. Model," *Journal of Democracy*. 10.4 (1999): 19-34. More broadly, I take cues from Cooter, Robert. *The Strategic Constitution*. Princeton, N.J: Princeton University Press, 2000, and specifically what Cooter dubs the “political Coase Theorem” (53-56). In this iteration, I do not distinguish between democratic and authoritarian variants, still the ongoing efforts for and against “regime change” and “democracy promotion” make the extension of policy interest.


128 The inner circle appeared in an iconic picture from 1944. Tito sat at the head of the table, to his right were Edvard Kardelj, Sreten Žujović (kept in total isolation for two years after his arrest for supporting Stalin and partially rehabilitated after public and sincere self-criticism in 1950), and Andrije Hebrang, and to his left Aleksandar Ranković (purged between 1964 and 1966), Svetozar Vukmanović (sidelined after the 1965 reforms), and Milovan Djilas (purged in 1954).

The official report: “From April 1948 to October 1949 the so-called Dachau trials were held (nine trials), before the military court or the District Court against former internees at Buchenwald and Dachau. They were accused of collaborating with the Gestapo. After the war, they “continued their spying and treacherous activities and carried out sabotage”. All the accused were pre-war Communists, activists in the OF or Partisans, some of them even fighters in the Spanish Civil War. Others had senior positions, particularly economic. Fifteen were sentenced to death (eleven were executed), three died in remand prison, twenty were sentenced to long terms of imprisonment. The Slovene political elite converted the trial against the accused into a real media spectacle. The trial was transmitted via loudspeaker and radio and fully published in newspapers. Now the Slovene Communists got ahead of the leaders of other Yugoslav Republics, because nowhere else were there similar judicial performances.” Hančič, Damjan, Boštjan Kolarič, Jernej Letnar Černič, Renato Podbersič, Andreja Valič, Study Centre for National Reconciliation, Slovenia, National Report of the Crimes of Communism in Slovenia.” *Crimes of the Communist Regimes*, 24 - 25 February 2010, Prague, Parliament of the Czech Republic: 11.


Ramet, Nationalism and Federalism 2nd ed.: Chapter 9, esp., 161-166.


The parallel with other socialist countries has not been made, but the strike has a keep place in Slovenia’s contemporary history: Prinčič, Jože. *V Začaranem Krogu: Slovensko Gospodarstvo Od Nove Ekonomske Politike Do Velike Reforme: 1955-1970*. Ljubljana: Cankarjeva založba, 1999: 91-95; contemporary report: Stankovic, Slobodan. “Yugoslavia Between East and West Dissatisfaction Among the Workers; Yugoslav Road to Socialism; George Lukacs Defended,” *RFE/RL* 11 February 1958 (72-2-140). More recently, as the home-town of Laibach, perhaps the most recognized avant-garde music band from Slovenia (formed in 1980). The next time a miners’ strike reached the top of the political agenda was during the miners staged a major sit-in took place in Kosovo during the 1980s national revival, with some of Slovenia’s high-ranking representatives conspicuously supporting the miners, in a rare act of direct solidarity with workers outside their home republic.
As Tempo sought greater concessions on wages, something Tito’s inner circle accepted, he and the SSJ as an institution unwittingly became a major ally to reformers: higher salaries meant that more earnings stayed with the enterprise and a correspondingly smaller share was taxed away.


For instance, a 28 May 1964 letter of Dr Milivoj Rukovina, the Secretary of the Federal Executive Council, signed a letter to all members of the Federal Executive (number: 846/2) with “S.F.-S.N.” (AJ, f130, b647/1072, SIV, Medjunarodne Organizacije, 1953-1970).


“We might as reasonably dispute whether it is the upper or the under blade of a pair of scissors that cuts a piece of paper, as whether value is governed by utility or cost of production.” The famous quote appears in Book V, Chapter III, paragraph 27 of “Equilibrium of Normal Demand and Supply.” Marshall, Alfred, and C W. Guillebaud. *Principles of Economics*. London: Macmillan for the Royal Economic Society, 1961.


For example, to take the year after the official end of the Cominform crisis, in 1953, the party had nine times fewer members without any school than the general public, and three times the number with higher education. ASr, CK SK Sr, fDJ2, b52, Analitičko odeljenje, Rajko Danilović and Toma Stamenković, *Promene socijalne strukture Saveza komunista Srbije, prva knjiga,* (Belgrade, 1967): Table 39-44:

<table>
<thead>
<tr>
<th>1953</th>
<th>% in party</th>
<th>% not in party</th>
</tr>
</thead>
<tbody>
<tr>
<td>No school</td>
<td>5</td>
<td>48</td>
</tr>
<tr>
<td>Some</td>
<td>80</td>
<td>47</td>
</tr>
<tr>
<td>Middle</td>
<td>12</td>
<td>4</td>
</tr>
<tr>
<td>Higher</td>
<td>3</td>
<td>1</td>
</tr>
</tbody>
</table>

Specifically, in 1957, 196 officials worked 20 “administrative organs” (agencies) that dealt with various aspects of international affairs. The age structure revealed an inverted pyramid and thus the limited creation of new cadres, with 10 (5%) officials below 30 years old, 47 (25%) between 30 and 40, 85 (45%) between 40 and 50, and 57 (30%) over 50 years old. “Almost all translators are non-communists [nekomunisti],” with 59 speaking one foreign language, 30 speaking two and 30 speaking three languages. Marko Nikezić thus really stood out. AJ, f507/XIII, b26/9, Komisija za razvoj SKJ I kadrovska politiku, Analyze I informacije Komise za razvoj SKJ I kadravsku politiku u period od 1954. To 1961 gdone, “O nekim pitanjima kadrova koji rade na vezama sa inostranstvom 1957”: 1.

Zdenka Kidrič, the wife of economics czar Boris Kidrič also held high positions before the war and then within Slovenia’s and Yugoslavia’s Cadre Commission of the Central Committees, but Vida Tomšić qualified as perhaps the most prominent since she served as the Secretary of the Federal Parliament (1948-1952). Haan, Francisa, Krasimira Daskalova, and Anna Loutfi. *Biographical Dictionary of Women's Movements and Feminisms in Central, Eastern, and South Eastern Europe: 19th and 20th Centuries.* Budapest: Central European University Press, 2006: 575-579; AJ, f507/XIII, b26/12, “Pregled zaduzivanja kadrova,” (Beograd, 17 September 1958).

Among these, the largest group of 37 held seats in the Central Committees of republics (Jožė and Janko Smole), while the smallest group of seven held seats in the Federal Parliament (Janez Stanovnik and Miloš Zekić), while several future liberals held high posts in the Federal Executive (Krste Crvenkovski) and in Yugoslavia’s Central Committee (Mika Tripalo). AJ, f507/XIII, b26/47, “Anketa sa informacijom o zaduženju rukovodećeg kadra” (Beograd, 19 March 1960).
The sentence is actually underlined in the document. AJ, f507/XIII, b31/25, Pregled duncionera saveznih organa, ustanova I rukovodstava drusveno-politickih organizacija po republickoj pripadnosti, koji se nalazaz na stalnom radu u Federaciji, (Stanje na dan 1jun1963), sa primedbom Aleksandra Rankovica: 2-3.

Taken at face value, the breakdown neatly summarized the main point. The alphabetical order of republics and absence of separate entries for provinces reveals that its creation pre-dated the implementation of the 1963 Constitution. Note the proportionality in place within the apex of the Federal Executive Council in contrast to the overrepresentation of cadres from Montenegro among appointments made by the Federal Executive, and a similar trend in the Constitutional Court and other federal courts.

Other members included Milovan Dinić and Vlado Ivković. AJ, f507/XIII, b28/4, Komisija za razvoj SKJ I kadrovsku politiku, Analize i informacije Komise za razvoj SKJ I kadrasvku politiku u period iz 1964 god., “Zabeleska o pregledu broja zaposlenih u nekim drustveno-polit orga u Federaciji, 11 mart64


The fact that the director of the Austria’s national railways, was born in Konjic, Slovenia explains part of his efforts to navigate the many administrative hurdles, as he himself openly stated. AS, f1529, b20, Kraithger Meeting minutes, 16 January 1965, 29 March 1965.

Yugoslavia had complex economic relations with both the East and the West. A standard account of either international commercial and financial relations of the Tito regime does not exist – Dragan Gnjatovic’s dissertation perhaps come closest and many treatments, such as Tvrdko Jakovina, offer insights in specific areas. AJ, f130,


Kraigher held a plenary meeting with ambassadors to ascertain the reception of Western capitals, and the records reveal rather less concern with reactions from the Comecon camp. AS, f1529, b20, Razgovori 1962-1965, 17 August 1965.


Drnovšek. *Slovenska kronika*: 263.


Indeed, a hierarchy existed: people could move freely, despite important restrictions so could commodities well before the Yugo’s ill-fated launch in America and ideas such as self-management and non-alignment (curiously, brotherhood and unity had never been exported in the same way). The ideological stretching around what this means receives more attention in the next iteration. Suffice it to note here that the WB and IMF passed scrutiny by de fault since the regime participated in their creation in the 1940s and that by the 1980s, the debt burden shifted decisively (two to one toward short-term loans from private banks). Yet, joint ventures never took off, despite the success of technology transfers and franchising and foreign bank had operated commercially. Gnjatović, Dragana. *Uloga Inostranih Sredstava U Privrednom Razvoju Jugoslavije*. Beograd: Ekonomski Institut, 1985: 95.


Several recent articles in the series Dijalog Pojesnicara/Istoricara, a project funded by Friedrich Ebert Foundation, represent recent thinking: Ljubomir Đimić, “Anahrone politicke koncepice i modernizacija – Srbija sezdesetih godina XX veka.” 5 (March 2001): 409-429; Dušan Bilandžić, “Raskol u državno-partiskom vrhu 60-ih godina 20. stoljeća – početak raspadu Jugoslavije” 8 (September 2008): 33-54. The former is perhaps the most prominent historian of Yugoslavia working in Belgrade, and the latter one of the most prominent historians who worked in Zagreb.

Rusinow. The Yugoslav Experiment: 148-152.


Excellent summary of both the effect of Sino-Soviet split and Tito’s rapprochement with Soviets in the context of internal economic and political reforms: Stanković, Slobodan. “Tito Will Have to Make His Position Clear.” RFE/RL Background Reports 2 November 1963 (75-2-196).

Whatever the reasons for Slovenia’s “silence,” also noted in the previous chapter during the 1939 exchange around Rudolf Bićanić’s polemic, views from Slovenia, the wealthiest constituent republic whose elites indelibly shaped the federation’s economic policy, including, the topic merits further study. On experiments, Jared Diamond and James A. Robinson, “Using comparative methods in studies of human history,” in Diamond, Jared M, and James A. Robinson. Natural Experiments of History. Cambridge: Harvard University Press, 2010: 257-276. The weakening of statism and of the security apparatus plausibly contributed to the greater scope of action for reformers. While federal records suffice for reconstructing the failed implementation of the 1961 reforms, by contrast, the implementation of the 1965 reforms took place in part after the purge of the security apparatus – a dozen high-ranking officials in the State Security Service in July 1966 alone -- and thus state-level archival records become critical. Stanković, Slobodan. “Yugoslav State Security Service Purged; had Links to Moscow?” RFE Research 1 August 1966 (76-4-159): 1-5.


In Dubrovnik, prices could rise from 82 to 96 but reached 145 dinars per Kilo by August 1965. On the initial rise: AJ, f142/II, b170, SSRNJ. Komisija za idejin i vaspitni rad, Kabinet Sekretara SIV-a, “Informacija broj 1” (23 July 1964) and “Informacija broj 2” (25 July 1964); misgivings by supporters such as Djuka Hrženjak: HDrA, f1228, b160, SSRNH, Sednica IO GO i Političke grupe za provodjenje privredne reforme, “Stenografski zapisnik” (2 August 1965): 5-6.
203 AJ, f142/II, b170, Komisija za idejno i vaspitni rad, Privredni razvitak I razpodela, Glavni odbor socialisticne
zveze delovnega ljudsva Slovenije, Izvršni odbor (Lubljana, 7 December 1964): 1; IO Glavnog odbora SSRNJ
Hrvatske, Komisija za društveno-ekonomski razvoj (Zagreb, 3 December 1964): 2.

204 HrDA, f1228, b160, SSRNH, Sednica IO GO i Političke grupe za provodnje privredne reforme (Zagreb, 2

205 “Milos Minic - Tito's Trouble Shooter to Moscow.” Radio Free Europe/Radio Liberty Background Reports 25
April 1979 (300-8-3):1-3. AJ, f142/II, b205, Komisija za idejno i vaspitni rad, Privredni razvitak I razpodela,
Materijali o sprovdjenju privredne reforme, “INFORMACIJA sa IV sednice Komisije SIVa za rad na problemima
odnosa I pariteta dinara” (Belgrade: 25 May 1965): 1-7. Both were highly decorated veterans, Anton Bole worked
in textiles and Slavko Komar in agriculture and forestry (e.g., D.P., “Agriculture-‘Achilles Heel’ of Yugoslav
Economy.” RFE 10 August 1962 (75-1-223).

206 AJ, f142/II, b205, Komisija za idejno i vaspitni rad, Privredni razvitak I razpodela, Materijali o sprovdjenju
privredne reforme, Savetovanje pri SO SSRNJ o novim privrednim merama, Steno beleške (15 June 1965): 4/1;
19/1; 9/2.

207 Famous for nothing that he was “ashamed – as a Communist, as a Serb, as a man” about abuses in Kosovo during
Ranković’s purge in 1966 in Miller, Nick. The Nonconformists: Culture, Politics, and Nationalism in a Serbian
Komisija za idejno i vaspitni rad, Privredni razvitak I razpodela, Materijali o sprovdjenju privredne reforme,
Savetovanje pri SO SSRNJ o novim privrednim merama, Steno beleške (15 June 1965): 16/2-16/3.

208 Lampe, John R. Yugoslav As History: Twice There Was a Country. 2nd ed. Cambridge: Cambridge University

209 AJ, f142/II, b205, Komisija za idejni i vaspitni rad, Materijali o sprovdjenju privredne reforme, Savetovanje pri
SO SSRNJ o novim privrednim merama, Steno beleške (15 June 1965), Ljubo Arsov: 13/2.


211 Yet, to briefly continue with the analogy, the creation of FADURK had some of the impulse of Germany’s
ordoliberalism: a market-based social program (soziale Marktwirtschaft), but not a market-based society that
distributed goods based on marginal ability to pay versus marginal utility. Similarly, Stane Kavčić’s designs for
publicly subsidized universal but privately owned family housing recalled interwar Vienna’s “municipal socialism”
(Chapter 6). Friedrich, Carl J. "The Political Thought of Neo-Liberalism." The American Political Science Review.
49.2 (1955): 509-525; Koslowski, Peter. The Theory of Capitalism in the German Economic Tradition: Historism,

212 HrDA, f1228, b18, SSRNH, Sednica IO GO, Stenogramski zapisnik (8 September 1965), Mika Špiljak: 13. The
exact quote: “mnogi nasi aktivisti pristupaju tome na nacin da ako sada donesemo zakone i promjen i ovo, da
rjesavamo sve i – reforma je gotova. Mislim da je reforma sto je Tito rekao ‘…gotovo revolucija…’”

213 HrDA, f1228, b18, SSRNH, Sednica IO GO, Stenogramski zapisnik (8 September 1965), Mika Špiljak: 17.

214 Table 7 features a subsection on taxation, and the it shows the enactment of measures: the higher the number, the
later the enactment.


217 AS, f1529, b24, Boris Kraigher, Odbor za plan i finansija, Savezno veće Savezne Skupštine, “Reforma je rat.” (8 December 1966): 3

218 Recent scholarship acknowledges the “Chicago boys” in Chile, particularly the privatization of the pensions for the employed under Dr José Piñera in the late 1970s, yet broadly similar attempts by the liberals receive scant attention, and understandably so given their failure in Yugoslavia and at least partial success in Chile. The direct personal links, such as academic training, between Chicago and Santiago dramatize the relationship. Ideas do travel, and the influence of monetary approaches and instance on the primacy of price signals played a tremendously important role in reform socialism, and one that could be more systematically investigated. A recent synthesis: Overtveldt, Johan van. *The Chicago School: how the University of Chicago assembled the thinkers who revolutionized economics and business*. Chicago: Agate, 2007.


221 Predrag Aleksić made the statement. AJ, f142/II, b266, Sekcija za privredu, Sednice, 1967: II/14MV.


229 The affair has a place in the special section of the Central Committee collection, roughly translated as special Presidential activities: ASI, f1589, Predsednikova Dejavnost, Franc Popit, Gospodarska Problematika: 2604/4; 2607/7, containing the discussions from Croatia and Serbia, as well as elite arbitrage with Tito in August 1969. The latest research, based on archives from Slovenia: Prinčič V začaranem krogu; Repe, Božo, and Jože Prinčič. Pred Časom: Portret Staneta Kavčiča. Ljubljana: Modrijan, 2009: 135-165. Unless otherwise noted, the account below relies on this research; records available in Belgrade, Zagreb and other capitals would make for a fuller picture that the affair merits.


233 For example, Antić, Zdenko. “Slovenians Oppose Government Decision on Road Building.” RFE 1 August 1969: 4.

234 AS f1589, b4/IV, CKZKS, Magnetogram rasprav, 8 seja (9 October 1969): 25; 5/2. The phrase is “je nevzdržno za naše sožitje, da bi se se nadalje kolportiala te orija o medsebojnem izkorističanju.”


In the entire 1960s reform period, only a handful of elites took similar steps. “Ratko Tausan, the minister of economy of Bosnia and Herzegovina, resigned in June 1965 after a coal mine catastrophe; and Janko Smole, the Prime Minister of Slovenia, submitted his resignation in December 1966 after having failed to push through his program on health insurance in the Slovenian parliament.” On the federal level, Mika Špiljak threatened to resign in June 1968 over economic legislation; Špiljak’s threat worked and Smole withdrew his resignation after a compromise was negotiated. Slobodan Stanković, “Meaning of Yugoslav Disagreements Over the Economic Stabilization Program.” RFE Research 24 November 1970 (79-2-43): 3.


ASr, fDJ2, b77, CKSKS, 24 sednica (15 January 1971), Stenograski zapis: 29/1 MP.


After his arrest, he worked in an institute and wrote extensively about modern German philosophy while lecturing in Germany and Austria. The journal Hereticus published in 2003 an extensive collection of documents about the case, including the tracts, the legal proceedings and contemporary media coverage. Trkulja, Jovica. “Osuda i izgon Mihaila Đurića.” 1.2 (2003); a detailed orbituaty, M. M. “Profesor Mihailo Djurić (22. avgust 1925 – 25. novembar 2011).” Vreme 28 November 2011.


The meeting counted as the 17th meeting of the Presidency of Yugoslavia’s Central Committee, Karadjordjevo the 21st. Bilandžić. Povijest: 590; AS, f1589, b1181, 17 seja Predstva ZKJ, Bioni (28 –30 April 1970), Popit: 87-89.


254 As with other critical documents, Tito initialed the two-page abstract (dated 31 January 1972) of the debate carried by one of the main business weeklies, *Ekonomjska politika*, to note that he had read the abstract. AJ, KPR, b/75, III-B-2-b, 1970-1972, “Izvod iz rasprave vodjene u Sloveniji o minulom radu i primeni ustavnih načela u praksi.”


258 HrDA, f/1220, b/D3848, CKSKH, Komisija CKSHK za razvoj društveno-ekonomskih onosa u privredi, Grupa za privredni sistem, Devizni režim”STENOGRAMSKI ZAPISNIK sa sastanka Komisije za društveno-ekonomski sistem CK SKH, koji je održana 27.X.1969”: 7; 14.

259 Croatia’s Executive Committee wanted to take actions “such that we can influence from our republic the personel policy in consular offices, since the problems that those offices abroad need to address require better cadres, and more of them, and a different ethnic structure that would correspond to the ethnic structure of workers abroad (drugačiji nacionalni sastav koji bi odgovarao nacionalnoj strukturi uposlenih radnika).” AJ, f/507, IVH b/10/21, Sednice Izvršnog komiteta CKSK Hrvatske (19 I 1968-27 X 1973), “Zapisnik sa sjednice IK CK SKH, održane 31 X 1968”: 2.

260 Additionally, the 1981 census provides data, contained in Table 036, “Returnees from Work Abroad According to their Municipality of Current Residence,” which shows that of about 280,000 who returned by 1981, about 97,000 people returned to Croatia, but the table does not provide their ethnicity, only the gender and socio-economic status. However, it seems reasonable to assume that some of those who returned were ethnic Croats who previously left Croatia. Propensity to Emigrate = Émigrés from Ethnic Group/Total Ethnic Group, a figure that can be calculated for each municipality and all census years. Some results: mean(cromprop_71pc - sromprop_71pc) : t = 9.47 ; mean(cromprop_81pc - sromprop_81pc) : t = 5.31. Additionally, a significant difference exists between the Croats’ propensities to emigrate between 1971 and 1981, which underlines an improving trend; there is no such difference for the Serbs. mean(cromprop_71pc - cromprop_81pc) : t = 5.41; mean(sromprop_71pc - sromprop_81pc) : t = -0.87. Taken together this suggests that the propensities between the ethnicities seemed to go into the direction of convergence, but at least the trend did get worse over the twenty years.

261 An excellent example of this is one of the last publications of an internationally noted demographer from Slovenia, Dušan Breznik, who published an invaluable encyclopedic monograph, *Stanovništvo Jugoslavije (The Population of Yugoslavia)*. He dedicates two chapters to internal migration but had not mentioned such a policy-
relevant fact as the significant difference in out-migration rates across Croatia even in 1991, when the monograph appeared, and as the socialist regime rapidly lost control in public space to nationalist voices. Breznik, Dušan. *Stanovništvo Jugoslavije*. Titograd: Chronos, 1991.

The poisonous effect of nationally-informed pseudo-science of population changes requires a separate study, suffice it to note here one rigorous analysis of forced migration of Serbs from Kosovo during the 1980s.


Though convoluted, the Cold War reader easily recognized that Bićanić imagined four stages away from one-party hegemony toward a more humane political arrangement, something that took place in the process of global integration. Bićanić, Rudolf. “Economics of Socialism in a Developed Country.” *Foreign Affairs*. 44.4 (1966): 633-650; 643.

At the meeting of the political active, Lazar Koliševski, the President of Yugoslavia’s Socialist Alliance and Antun Biber, the President of Croatia’s Socialist Alliance, officiated over the preparatory discussions. AJ, f142/II, b205, Komisija za idejno-vaspitni rad, Materijali o sprovdjenju privredne reforme, Stenotisnik Republičkog političkog aktiva održanog 12 V 1965 u Saboru SR Hrvatske, Zagreb: III/1; 21.


AJ, f142/II, b266, Sekcija za privredu, Četvrta sednica sekcije SSRNJ za društveno-ekonomske odnose u privredi (22.VI.1967): IX/8MN.

AJ, f141/2, b28, SSRNJ Sekcija za privredu, Sednice (25 November 1968): 3/1NV.


HrDA, f1228, b18, SSRNH, Sednica IO GO, “Skraćeni zapisnik (Zagreb., 15 September 1965)” : 2.
The other example concerned “Kemika,” where the lowest incomes rose by a third while the highest by two thirds. AJ, f507, b3/5-1 IIH, Plenarne sednice CK SKH (1961-1964), Sedma plenarna sednica SKH (14 April 1964): XII/6; 69; XIII/1 VB; 74.

HrDA, f1228, b18, SSRNH, IO GO, Skraćeni zapisnik (Zagreb. 15 September 1965): 2; AS, f1589, b24, CKZKS “Teze za III plenum CK ZK S”: 1.


While the draft has no date, Tripalo mentions the Eight Congress in the past tense and the celebration of the 25th anniversary of 1941. HrDA, f1220, bD5263, M Tripalo, “Skica za rezolucijo o razvoju nacionalnih odnosa (5str)”: 4.


The fact that the term made it into her two-volume autobiography suggested its importance. Dabčević-Kučar, Savka. ’71: Hrvatski snovi i stvarnost. Zagreb: Interpublic, 1997: Vol1, 89. She makes a connection to Andrija Hebrang, the leader of Croatia’s Party during World War II brutally purged in the late 1940s for pushing for Croatia’s sovereignty, who warned against Serbian hegemony over industrial development as the President of the Federal Planning Commission in 1947.

The affair has a place in the special section of the Central Committee collection, roughly translated as special Presidential activities: ASI, f1589, Predsednikova Dejavnost, Franc Popit, Gospodarska Problematika: 2604/4; 2607/7, which contains the discussions from Croatia and Serbia, as well as elite arbitrage with Tito in August 1969.


For instance, he recounted an “indicant proposal” that a Belgrade-based bank, Udržena banka Beograd, offered an unidentified Zagreb-based enterprise. The arrangement entailed two parts, first the enterprise purchased foreign currency through a bank at the official exchange rate of 12.5 dinars per dollar, and second the unnamed enterprise purchased advertising from a Belgrade-based soccer club, OFK Beograd. The advertising, a virtually invisible product that required Herculean forensic accounting, amounted to a legal but illegitimate way to charge the Zagreb enterprise the grey market rate for foreign currency, estimated at 18.1 dinars per dollar. The payment from the anonymous enterprise to the soccer club liquidated the Bank’s obligations to the club, and thus the enterprise paid
the grey market instead of the official exchange rate. For its part, the Yugoslav National Bank, offered credits to firms that then offered the funds at an exorbitant interest rate of 25% to other firms. Šošić, Hrvoje. Za Čiste račune. Zagreb: Matica hrvatska (Opća knjiznica 12/20, sv. 11), 1970: 140-143; 157-158.


290 ASr, fDJ2, b77, 27 Sednice CKSKS, Miroslav Pečujlić (February 1971): 146/1 MO. In the original, “mi ne možemo iz maksimalnog nepovrenja medju članovima rukovodstva izvodi minimum federacije.”

291 Malia, Martin E. The Soviet Tragedy: A History of Socialism in Russia, 1917-1991. New York: Free Press, 1994: 34. What is more, Richard Stites’ Revolutionary Dreams, an almost diametrically different approach than Malia’s, also does not include much about the social welfare in the “utopian vision” of the Revolutionaries (Stites, Richard. Revolutionary Dreams: Utopian Vision and Experimental Life In the Russian Revolution. New York: Oxford University Press, 1989). In Richard Pipes’ major works, Russia Under the Bolshevik Regime as well as Russia Under the Old Regime, as Tim McDaniel observes, “modern Russian history is marked by an essentially unbroken patrimonialism that consolidated itself into a police state as early as the 1880s,” while the influence of capitalism and of popular expectations and tastes (the demonstration effect, in short) have a very limited place.” (McDaniel, Tim. Autocracy, Capitalism, and Revolution In Russia. Berkeley: University of California Press, 1988: 405.)


293 Geoffrey Hosking does provide data on Khrushchev’s major investment in housing, and the five-fold increase of expenditures for social security programs after Khrushchev’s 1956 reforms. (Hosking, Geoffrey A. The First Socialist Society: A History of the Soviet Union from Within. 2nd enl. ed. Cambridge, Mass.: Harvard University Press, 1993: 353, 396.)


299 Ramet, Sabrina P. Nationalism and Federalism In Yugoslavia, 1962-1991. 2nd ed. Bloomington: Indiana University Press, 1992: 150-161. Table 9 contains a breakdown of how much each region received during each of the five funding periods; due to inflation and currency devaluation, actual dinar amounts reveal less than the proportions that each region received. The regime traced the process of regional differentiation carefully, as the archival section reveals. Trends appear in one the most comprehensive special studies, number 132, of the Federal Statistical Office used extensively here and cited at the start of the Tables section, Development of the Republics of the Socialist Federal Republic of Yugoslavia, 1947-1990 (1996).


301 As Kosovo got relatively poorer, it received relatively greater allotments. Kosovo and Montenegro together received only slightly fewer funds than Bosnia and Macedonia, yet, even given Kosovo’s rapidly increasing population, accounted for about quarter of the population eligible for the Fund. Thus, Bosnia and Herzegovina and Macedonia, with about three quarters of all the population of underdeveloped regions, received only half the funds. However, a progressive element existed.


303 The famous article that showed the very special circumstances under which terms of trade (price of exports divided by price of imports) decrease so much in poorer countries that export primary commodities to richer countries, and that give the name to the phenomenon: Bhagwati, Jagdish. "Immiserizing Growth: a Geometrical Note." The Review of Economic Studies. 25.3 (1958): 201-205.

To cite an example: “When southerners clamored too loudly about historical injustices, the Slovenes frequently reminded their compatriots that they too have had their problems with underdevelopment.” Ramet, Sabrina P. Nationalism and Federalism In Yugoslavia, 1962-1991. 2nd ed. Bloomington: Indiana University Press, 1992: 149.

Economist Max O. Lorenz devised the curve that now takes his name, in a paper written while in graduate school: “Methods of Measuring the Concentration of Wealth.” Publications of the American Statistical Association (9) 1905: 209-219. The original Lorenz curve appears in the graphs section. Nowadays, following convention from supply and demand curves, the income is on the horizontal axis while the quantity, in this case households or individuals, are on the vertical axis, but Lorenz drew the curve with income on the horizontal (X) axis and households on the vertical (Y) axis. He uses Prussia between 1892 and 1901 as an example (218). The Italian statistician, Corrado Gini, then devised in 1912 a way to calculate the area beneath the line of perfect equality and the curve, now know as the Gini coefficient (Figure 3).

Yugoslavia during socialism exhibited income inequality levels similar to those seen in highly developed countries, which typically had Ginis’ between 0.35 and 0.45. Indeed, inequality in the early years of transition from a command economy in both federal states, Czechoslovakia and the Soviet Union, and unitary ones, Poland, Hungary, and Romania, was still less than inequality in socialist Yugoslavia (Table 6).


The archival collection containing the Committees’ work, largely untapped by scholars includes several types of documents. Typed stenographic records of Committee meetings, sometimes running over 300 pages, represent perhaps two-thirds of all the publicly available material. Preparatory materials, including exhaustive technical studies and reports prepared by Committee members or government agencies, such as the Research Bureau of the Central Committee, or by one of the many institutes engaged by the government on an ad hoc basis, such as the Economics Institute in Belgrade, are the second largest component of the collection. The least numerous type of
documents include records from other Committees or agencies. The archivist who organized the collection in the early 1980’s, Dušan Jončič, stated in the notes accompanying the collection that the designation of some documents as “secret” or “top secret” requires for the collection to have special treatment. What proportion of documents has this status remains unknown. For administrative details and full listing of the collections: Dušan Jončič, “Arhivska gradja Komiseje CK SKJ za pitanje društveno-ekonomskih odnosa, 1966-1969” in AJ, CK SKJ, F507 , XXIV-K.1-8: 1-5.


313 As in democracies, the Chairpersons of Committees play a decisive role in shaping agendas but also reveal the relative importance of a specific Committee. Kraigher belonged to the technocratic wing of the Party, but lacked the influence of Edvard Kardelj, another Slovene and the author of all four socialist Constitutions, on the Central Committee in 1979, or of Stane Dolanc. Sergei Kraigher chaired the last important commission tasked with proposing reforms of self-management in the early 1980s. In practical terms, while not as powerful as those in Tito’s immediate circle, he was right below these dozen or so individuals.

314 The word seems to disappear from usage after the 1971 amendments to the 1963 Constitution, but the concern about the number and jurisdiction of governments remained throughout the existence of socialist Yugoslavia.

315 Like Edvard Kardelj, a member of the first, war-time Central Committee, a lawyer by training, president of Croatia from 1945 to 1969, and a strong supporter of decentralization. While in politics, he remained among the five to ten most powerful individuals in the country, a member of the inner circle.


317 The Plan covered the period between 1966 and 1970.

318 Not to over-interpret the matter, nodding towards neutral and solidaristic Scandinavia appears politically quite acceptable within the existing ideological constraints. Its importance may lie in the institutionalization of solidaristic social policies, as described by Peter Baldwin (Baldwin, Peter. *The Politics of Social Solidarity: Class Bases of the European Welfare State, 1875-1975*. Cambridge: Cambridge University Press, 1990.)

319 A few words on how the Committee worked. The CC apparently provides broad tasks, but does not micro-manage their operationalization. Consequently, which issues specifically receive attention and how the analysis proceeds depended on internal dynamics within a Committee; additionally, membership seems to be determined largely through self-selection, and without explicit coordination from the CC. During the Plenary Session, members simply signed up for Committee work. In this case, despite the obvious familiarity of Committee members with each other and with the subject matter – some had served on similar Committees on the federal level, others managed some of the largest enterprises and thus dealt with workers’ risk insurance first hand – Kraigher set the boundaries.
Purged by Tito in 1971, Đabčević-Kučar, along with Mika Tripalo, figures as the leader of the “Croatian Spring” (1967-1971). Her internationalism did not conflict with the decidedly national character of the Spring, as both the more internationalists and the nationalists stressed the need, repeated oft the Committee documentation, to overcome “étatist,” or statist and centralist tendencies of Tito’s regime.


“Osnovni problemi razvoja samoupravljanja u socijalnom osiguranju i zdravstvu.”

“Osnovni problemi razvoja samoupravljanja u socijalnom osiguranju i zdravstvu.”

“Predlog izvestaja o rasmatranju osnovnih problema društvenih reformi u razvoju samoupravljanja na području zdravstva i socijalnog osiguranja.”


Among his translated work on planning, Mesarić, Milan. *The Functions of Social Planning In Yugoslavia.* Zagreb: Ekonomski institut, 1971. The Institute still holds as the premier economics and business think-tank in Croatia, and the intellectual home of, among others, Rudolf Bičanić (Chapter Two), who helped in its founding.

Again, defense policy, which accounted for at least 40% of the federal budget, was exempt from this as was the League of Communists. Practically every other policy realm was not, including fiscal policy (after 1953 certainly), education and cultural policy, and even some aspects of foreign policy (Slovenia, for example, negotiated trade deals with Italy and Austria).


The brief had been the topic of discussion of the first meeting held in February. Note that a full ten pages separated the initial statement of the problem and his very faltering conclusion. The reversal of roles – an elite from Bosnia, one of the four recipients of FADURK, articulated a comparatively liberal approach while an elite from Serbia articulated a more skeptical position surprising for a representative of a republic that paid into FADURK – indicated politicking.

Briefly, measured by national material product, Bosnia and Herzegovina and especially Kosovo fell behind the Yugoslav average that incomes in Serbia “proper” approximated during socialism, Macedonia’s product remained at almost exactly two-thirds the average throughout, Vojvodina’s at about 110% of the average, while the two northern-most republics grew more rapidly, Croatia to 120% and Slovenia especially, given its borders had only settled in 1954, to 180% of the Yugoslav average measured by the material product.


“jedna vrsta neke kontraverze” – he uses three words to separate the verb from the subject in a simple sentence.
Since these two republics are closer to the poverty line, filling their poverty gap requires fewer funds. This amounts to first helping the least poor escape poverty or “cherry picking.” For a more detailed description, see Table 9.


Simply put, per capita income makes sense as an indicator of well-being in economies where the price mechanism operates, but once prices are formed in absence of supply and demand signals, income becomes an unreliable indicator.

To remind briefly, the tax on all enterprises that generated the income for the Fund was actually described as a “compulsory loan,” to be repaid after a 20 year grace period and low interest rates – in subsequent legislation, this 1965 provision was simply written off, and the loans described as grants.

The formulation sounds amorphous, given the dependence of the Bosnian economy on primary resources (timber), military industry, and mining, but gets at the attempts to compensate the commodity producers for unfavorable terms of trade, a point discussed further in Chapter Five.
Just as a school council voted on a limited range of issues compared to those voted on by the chief legislative body, so a Communist party cell in a socialist society had far narrower jurisdiction than its Central Committee.

The shock was felt over two thirds of the republic. The ancient coastal cities suffered most. Old Ulcinj, Old Budva and many villages were virtually razed to the ground. Over one hundred thousand people were made homeless. Further inland, damage was caused to the old capital of Cetinje, the new capital of Titograd and as far as Niksic and Danilograd. The devastation was enormous and incalculable. Over 1,600 cultural monuments suffered in the catastrophe as well as thousands of works of art and valuable collections: icons, paintings, rare books, illuminated manuscripts, delicate fabrics and embroideries, sacred gold and silver works, ancient jewellery, church vestments, wood carvings and sculptures. But the Montenegrin, by his very nature does not recognize defeat, his history and age-long fight for independence have stood him in good stead. His determination to build anew, to restore and conserve the architectural grandeur of his country is exemplified in the steps already taken to study and assess the damage and to make a methodical start. The added italics show what might now call “orientalism” in the heart of UN system (Burrows, George S. Montenegro Earthquake: The Conservation of the Historic Monuments and Art Treasures. Paris: UNESCO, 1984: 5).

A comprehensive account of the various and complex decentralization policies implemented in second Yugoslavia does not exist, yet the topic has been extensively studies, and its relation to the all important “national question,” but Yale historian, Ivo Banac, offers a compelling summary: “The key to Yugoslavia was always in its parts. Only an untrained or complacent observer could see something permanent in such a contrived country.
Permanence lay in the historical states of Serbia, Croatia, Bosnia-Herzegovina, Montenegro, and the more recent constructs of Slovenia, Macedonia, Vojvodina, and Kosovo…. Political unions more awkward and complex than Yugoslavia have managed in the past. Success stories are not plentiful, but they do exist. The precondition for successful unions, however, is that their component parts and constituent communities are-or at least feel-genuinely equal. That was never the case in Yugoslavia. The Serbian supremacy of the interwar royalist period was duplicated under the centralism of the communist regime. But when Tito set out to correct that trend with his (co)federalist constitution of 1974, he opened himself and his experiment to reactions by the Serbian establishment and interests.” (Banac, Ivo. "Misreading the Balkans." Foreign Policy. 93 (Winter 1993/1994): 173-182.) The quote received additional attention in the Introduction.

By the early 1980s, with the demise of state-led, plan-based, and public sector-focused approaches to economic development, Yugoslavia and other socialist experiments appeared less promising avenues for modernization – liberal reformers in Britain and the US and illiberal modernizes in Asia dominated the field. David Lindauer and Lant Pritchett. “What’s the Big Idea? The Third generation of Policies for Economic Growth”. Economia 3.1 (Fall 2002): 1-39. The article also offers long, critical comments from two different perspectives by Dani Rodrik (empirical flaws) and R. S. Eckaus (historicist approach), making the article an excellent synthesis. Instead, the violent collapse of a comparatively prosperous, and arguably the most successful socialist country powerfully informs the historical, social science, and policy-oriented research.


An insightful recent article that suggests the divergence between these literatures is an analysis of disaster relief in the US. Disaster relief used federal moneys to ameliorate the effects of floods, fires, and other disasters afflicting specific areas, and the language of such regionally-based relief has a connection to New Deal’s arguments for federal welfare programs. Landis’ “Fate, Responsibility, and ‘Natural’ Disaster Relief” challenges Theda Skocpol’s Protecting Soldiers and Mothers (1992) immensely influential treatment of the purportedly earliest federally-funded welfare program, pensions for civil war veterans, and shows how uncontroversial redistribution was towards regions afflicted with calamities posing no apparent moral controversy over rewarding self-imiserating individual or group behaviors. Senator Robert La Follette’s congressional debate from December 1930, which opens the article, shows the connection between regionally based and non-regionally based redistribution: “Will the Senator from Delaware explain, if he can, what difference it makes to a citizen of the United States if he is homeless, without food or clothing in the dead of winter, whether it is the result of flood, or whether it is due to an economic catastrophe over which he had no control? I see no distinction.” (Landis, Michele L. "Fate, Responsibility, and "natural" Disaster Relief: Narrating the American Welfare State." Law and Society Review. 33.2 (1999): 257-318.)
Though the practice has now changed, as late as 2008, for instance, Convergence and Regional Competitiveness and Employment funds amount to EUR 37.0 and 8.6 billion, respectively, while Agricultural expenditure and direct aids and Rural Development funds amount to EUR 40.9 and 12.9 billion, respectively. A cogent synopsis appears in the European Commissions “General Budget of the European Union for the Financial Year 2007 – The Figures.” For a detailed overview of EU economic policies, El-Agraa, Ali. *The European Union: Economics and Policies*. 8th ed. Cambridge: Cambridge University Press, 2007: esp. Section V.

It is worth quoting at length the closing passage: “[T]he contrary-to-fact query remains. Might the progress of reducing inequality within the United States as well as Europe not have been faster or surer without the quarter-century of economic domination?... [T]he question must be posed. "Welfare" criteria apply, most easily, to whole societies. Alone they cannot measure the costs of hegemony on particular components but can only confirm the triumph of productivity in the aggregate. But this, after all, was what Americans sought to know. The cohesiveness of the society lay in its reluctance to suggest alternative questions. In the terms that all significant sectors of opinion would have posed the issue, US foreign economic policy was beneficial as well as potent. This judgment should not be surprising; it followed from the ideological beliefs that rescued national cohesion in a society of great material differences.” Maier, Charles S. "The Politics of Productivity: Foundations of American International Economic Policy After World War II.” *International Organization*. 31.4 (1977): 607-633, 633. A similar argument, using instead the solution of the “duel problems” of coordination and cooperation, as seen from the subtitle: Eichengreen, Barry J. *The European Economy Since 1945: Coordinated Capitalism and Beyond*. Princeton: Princeton University Press, 2007: 15-52.

“Schools, health services, etc.” comprised the second expenditure category, administration being the first, while “funds for those unable to work, etc., in short, for what is included under so-called official poor relief today” comprised the third. Marx, Karl. *Essential Writings of Karl Marx: Economic and Philosophic Manuscripts, Communist Manifesto, Wage Labor and Capital, Critique of the Gotha Program*. St Petersburg: Red and Black Publishers, 2010.

The reference is to Adam Smith, cited in De, Vries J. *The Industrious Revolution: Consumer Behavior and the Household Economy, 1650 to the Present*. Cambridge: Cambridge University Press, 2008: 6. Although de Vries does not extensively dwell on Eastern Europe, taking family as a unit of analysis and its interaction with the market as the primary site of analysis represents a promising approach for conceptualizing Eastern Europe during socialism, and especially after Stalinism. In particular, the emergence and expansion of agricultural plots in the entire Soviet sphere represents a propitious starting point for what may be called “socialist industriousness.” An excellent, empirical discussion that during the Cold War, the Marxian theory of agricultural development largely failed, and Western Europe stood out as having a relatively large proportion of small farms, in contrast to the United States: Pryor, Frederic L. *The Red and the Green: The Rise and Fall of Collectivized Agriculture in Marxist Regimes*. Princeton, N.J: Princeton University Press, 1992: 368-391. The private plots were especially important in Hungary (W Brus in Kaser, Michael C. *The Economic History of Eastern Europe: Institutional change within a planned economy. Volume 3*. Oxford: Clarendon Press, 1986: 81.)


To clarify the distinction between the concept of equity and of equality: process equality, or *ex ante* equality is equity and this concept differs substantially from outcome equality, or *ex post* equality. The Gini coefficient captures outcome equality, or lack thereof: how much wealth does a poorest 10% of the population own, versus the wealthiest 1%; by contrast, the notion of equality of opportunity captures the concept of equity.

382 At the Sixth All-Russian Conference of the Russian Social Democrats, held in Prague, Lenin outlined the following scheme: 1. It should provide assistance in all cases of incapacity, including old age, accidents, illness, death of the breadwinner, as well as maternity and birth benefits; 2. It should cover all wage earners and their families; 3. The benefits should equal full earnings and all costs should be borne by employers and the state; 4. There should be uniform insurance organizations (rather than organization by risk) of a territorial type and under the full management of the insured workers. Quoted in Rimlinger, Gaston V. *Welfare Policy and Industrialization in Europe, America, and Russia*. New York: Wiley, 1971: 250-251.


387 Babeuf is quoted in Fleischacker, Samuel. *A Short History of Distributive Justice*. Cambridge, Mass: Harvard University Press, 2004: 78. For Marx, the Grundisse


390 Similar reasoning holds for export of goods. As Chapter 2 argued, the “holding together” type of decentralization complicated the emergence of internal economies of scale, while each republic pursued its own airline and ersatz Import Substituting Industrialization.

391 The next iteration will include more on the internal movement of labor (rural-urban migration and southern-northern republic migration) and of capital (Chapter Four examines a special case of “development aid” and
strategic investments disbursed by the federation to less developed, but not how republics redistributed funds within the republic). The plan is to show the changes in Capital to Labor ratios resulting from a divergence in the main sources of investment capital and main trends in the labor market, as summarized in the table below:

<table>
<thead>
<tr>
<th>Within country migration</th>
<th>Out-migration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Export-Oriented</td>
<td></td>
</tr>
<tr>
<td>Slovenia: migrants from poorer, southern republics</td>
<td>Croatia: ethnic Croats emigrate to West Europe and overseas</td>
</tr>
<tr>
<td>Import-Oriented</td>
<td></td>
</tr>
<tr>
<td>Vojvodina; central Serbia: migrants from Montenegro; Serbs from Croatia and BiH</td>
<td>-Macedonia: ethnic Macedonians emigrate to Australia</td>
</tr>
<tr>
<td></td>
<td>-Kosovo Albanians and Croats from Bosnia emigrate to Western Europe</td>
</tr>
</tbody>
</table>

The internally highly divisive aid to fraternal national-liberation movements across the third world, including technical assistance, military aid as well scholarships for study within Yugoslavia, I also leave for the next iteration. Analysis of socialist Yugoslavia’s global role will be limited by the destruction of archival records as a result NATO’s 1999 air campaign, namely those of the Fund for Solidarity with Non-Aligned Countries and Developing Countries (f454).


393 For instance, the 10 July 1947 testimony of Mladen Guino-Zorkin before the House Committee on Un-American Activities and the 1949 testimony of Bogdan Raditsa, a high official in the royalist Ministry of Information and its post-war successor who served then in early post-war years (and was son-in-law to famous Italian historian Guilermo Ferrero). Both detail the work of the Titoist regime among the émigré community and its attempts to discredit non-communists, such as themselves. *Communist Activities Among Aliens and National Groups: Hearings Before the United States Senate Committee on the Judiciary, Eighty-First Congress, First Session*. Washington: U.S. G.P.O, 1949.


395 Pro-Pavelić émigrés closed some options for Croatia’s government – for example, a more proactive approach to repatriation – while the federal regime, apparently more than the government of Serbia itself, worried about royalist and četnik émigré communities. Additionally, unresolved borders with Italy around Trieste constrained Slovenia’s since the very size of its diaspora hung in the balance, Istria with its Italian minority played a similar role in Croatia, and while in the south of the country Serbia had, at least in this period, settled borders, Macedonia’s could have changed substantially to incorporate the Pirin region in Bulgaria (Bled agreement, 1947; Poulton, Hugh. *Who Are the Macedonians?* Bloomington: Indiana University Press, 1995: 107-108). Broadly, the regime pressed more successfully for territorial gain to the north and the west, in the American sphere of influence and closer to the
“core”, more then to the east and the south, in the Soviet sphere where the idea of a Balkan federation dissipated with the Tito-Stalin spit.

396 Tito’s received retrospectively seven fold larger estimate, almost 690 million dinars (about $13.8 million at the time), yet even the lower figure appears dramatic: Archives of Yugoslavia, Cabinet of the President of the Republic (henceforth AJ, KPR), f837, b267, FII-9-a-Iseljenici (1954-1979), D.J. “INFORMACIJA o iseljenickim pitanjima” (Belgrade, 11.XII.1959): 9-11. The much lower figure, 106 million dinars, appear in a public source, but is based on 1953 data from an agency with the Government of FR Yugoslavia, the Savet za norodno zdravlje i socijalnu politiku. For an overview of the repatriation program: Čizmić, Ivan, and Vesna Mikačić. Nek \slovene Suvremeni Problemi Iseljeništva Iz Sr Hrvatske: Dio 1. Zagreb: Centar za istraživanje migracija Instituta za geografiju Sveučilišta u Zagrebu, 1974: 66-71. The President was Zlatko Baloković, perhaps the most accomplished violinist, labeled as a “fellow traveler” but cleared, and it’s Honorary President Eleanor Roosevelt. Papers: The Balokovic, Zlatko Papers, Croatian American Collection, Immigration History Research Center, University of Minnesota.

397 Čizmić, Ivan, and Vesna Mikačić. Nek \slovene Suvremeni Problemi Iseljeništva Iz Sr Hrvatske: Dio 1. Zagreb: Centar za istraživanje migracija Instituta za geografiju Sveučilišta u Zagrebu, 1974: 61; the President was Zlatko Baloković, perhaps the most accomplished violinist, labeled as a “fellow traveler” but cleared, and it’s Honorary President Eleanor Roosevelt. Papers: The Balokovic, Zlatko Papers, Croatian American Collection, Immigration History Research Center, University of Minnesota.

398 For example, why a revolutionary regime actively sought the return of a purportedly ideologically suspect class as it engaged in account settling with quislings, not to mention in “population exchange”? The decision to start the repatriation program revealed that immigration had a place in the regime’s thinking, and further research will reveal the nature of this thinking. For now, numerous sources attest to the patriotism of emigrés during WWII, including the personal relationships between Tito and progressive Slovene-American author, Louis Adamic (Alojz Adamic), meriting special notice (his FBI papers are in University of Minnesota’s Immigration History Research Center). Tito officially acknowledged the emigré’s role in a ceremonial letter during the weeklong celebration of emigrés across the country, with successive celebrations commencing in different capitals. AJ, KPR, f837, b267, FII-9-a-Iseljenici (1954-1979), Tihomir Stanojević, Načelnik odeljenja za štampu, Tito’s letter of support for “Emigré Week” celebrations, 4-11 September 1955. Reprints of original letters between the War Relief Fund of Americans of South-Slavic Descent, with Adamic as honorary President and prominent violinist Zlatko Baloković as President, and the Canadian Friends of Yugoslavia: Grečić, Vladimir. Seobe Srba Nekad I Sad. Beograd: Institut za međunarodnu politiku i privredu, 1990: 167-172.

399 The move showed a pragmatic approach, at least on part of the foreign policy apparatus to co-opt or pull out members from a powerful pillar of anti-Titoism, and a brutal, Stalinist one with respect to suspect non-Slavic communities. The reference to “pillars of support” for the regime comes from the seminal pamphlet of Sharp, Gene. There Are Realistic Alternatives. Boston, Mass: Albert Einstein Institution, 2003.


401 Created in the early 1950s, the Foundations focused on cultural and educational-propaganda activities, just as the “regular,” nineteenth century nationally based Matice. The work of the Heritage Foundations replicated
Internationally the work done domestically by nationally based Matice: organizing tours of folk dance ensembles among émigrés in the West and organizing tours for émigrés vacationing in Yugoslavia.


An AVNOJ signatory, he served as Yugoslavia’s Ambassador to the United Kingdom in 1945 and served as a member of Preparatory Commission for the United Nations, which prepared documents for the UN’s legal formation. Other members included Andrei A. Gromyko (USSR) and Jan Masaryk (Czechoslovakia).

For example, Rogers, Reuel R. Afro-caribbean Immigrants and the Politics of Incorporation: Ethnicity, Exception, or Exit. Cambridge: Cambridge University Press, 2006.


Numerous sources attest to official recognition of the patriotism of émigrés during and after World War 2, e.g., KPR.Tihomir Stanojeviš, Načelnik odeljenja za štampu, letter of Tito for Émigré Week celebrations, 4-11 September 1955. For Alojz Adamič, his FBI papers are in University of Minnesota’s Immigration History Research Center, as are those of Zlatko Baloković.

Additionally, Leontić reveals that the regime counted anti-socialists as a far greater threat than the anti-Titoists (socialists who supported the Soviet Union during the Cominform crisis, many of whom eventually returned back to Yugoslavia in what now seems like a halcyon Cold War episode.) Even in the 1970s, the issue of Inform-bureau émigrés had not been solved, and several dozen wrote to request repatriation. Detailed records apparently reveal that some 724 persons became “IB émigrés” -- Predsedništvo SFRJ, Služba za društveno-politička pitanja 06-13/74, “INFORMACIJA o pismu grupe IB emigranat iz SSR-a,” (Belgrade, 9 April 1973): 1.

He argues that remittances represent a “treasure trove,” which improves the balance of trade, but regime poses limited propaganda options, not least because some 20,000 returnees send abroad “hundreds of thousands of letters annually,” which accurately depict the conditions in the country and thus cannot alter the perceptions held by émigrés and host countries.

A regime built from a revolutionary struggle accepted, indeed welcomed, financial assistance from the very social groups opposing the revolutionary struggle. One might add that the current focus in successor states are the economic migrants, and especially the “brain drain,” but the link seems plausible until the emergence of a political regime unassailable for internecine violence, in other words until the integration into the EU or a similar institutional framework.

How much this had been the case emerges when contrasting the party’s approach to labor with the party’s framing of capital mobility (very ideological and very national). Apart from a slight upward revision of the total migrant stock, from 800,000 used by Leontić to just over one million, she offered a more reasonable ethnic proportion of Macedonian stock in Yugoslavia’s total to 10% (down from 25% claimed by Macedonia’s Matica), kept the Croat and Slovene stock as the absolute majority (60% and 25%, respectively), and, perhaps less convincingly, assigned all other nationalities, including Serbs, the remaining 5%. Estimates of destination: US and Canada: 850,000; Latina America: 120,000; Argentina and New Zealand: 20,000; Middle East and Africa: 60,000; Europe: 25,000, for a total of 1.075million; by republics: Croatia: 60%; Slovenia: 25%; Macedonia (include Aegean (“Greek”) and Pirin (“Bulgarian”) Macedonia): 10%; rest: 5%. Macedonia seems especially interesting as it disappears from stats while movements of the Turkish population are subsequently included.

AJ, KPR, f837, b267, FII-9-a-Iseljenici (1954-1979), D.J. “INFORMACIJA o iseljenickim pitanjima” (Belgrade, 11 December 1959): 7. Rather detailed analysis of main émigré civic organizations whose support for the socialist regime varies with Partisan territorial gains – the largest Slovene émigré paper shows strongest support for the regime and strongly support territorial gains around Tieste, the largest Croat paper supported gains in Istria and Dalmatia and had a neutral attitude toward the regime, while the main Serb émigré paper, Srbobran, opposed the socialist regime comparatively strongly and had not supported “annexation of Trieste,” a line in part due to the fact that prominent Chetnik functionaries exerted editorial influence.
As Chapters 1 and 3 show, the currency regime held center state among grievances against the Belgrade in the 1970s, as it had both in the 1920s and the 1940s with the “dinarization” of local currencies. In 1954, the Federal Executive payed an extra 92 dinars (or a 185% premium on the 50 dinar for one dollar exchange rate, which held before the first devaluation in January 1951 to 300 dinars for one dollar, and revalorized the dinar amounts in savings accounts. However, those who those who donated part of their proceeds to the government’s war reconstruction efforts, for example, did not receive the extra 92 dinars per one dollar. (Archives of Yugoslavia, Socialialist Alliance of Working Peoples of Yugoslavia (henceforth AJ, SSRNJ), f142/II, b492(1960-1963), Izvršni odbor Saveznog odbora SSRNJ, Komisija za nacionalne manjine. Materijali o iseljenicima, CK SK Hrvatske, Komisija za nacionalne manjine, “Neki problemi rada na iseljeničkim pitanjima”: 8 (Zagreb, 4 October 1960)). Leontić in fact spelled out which cadres the new parliamentary body should include, namely those that, contrary to current (read executive-branch) practice, only comrades familiar with émigré issues, including Lidiija Šentjurc, Vlada Popović, Dr Aleš Bebler and others. These changes would “win over the sympathies of at least the economic migrants.” AJ, KPR, f837, b267, FII-9-a-Iseljenici (1954-1979), D.J. “INFORMACIJA o iseljeničkim pitanjima” (Belgrade, 11 December 1959): 24.

Three of the four goals pointed to pragmatic and material incentives, more imbued by the simple calculus of exporting low skilled labor, an abundant resource, and keeping high skilled labor, a scarce resource, than by ideological percepts. AJ, KPR, f837, b267, FII-9-a-Iseljenici (1954-1979), D.J. “INFORMACIJA o iseljeničkim pitanjima” (Belgrade, 11 December 1959): 24.


Yugoslavia actually went from a nationally- to a republic-based risk pool, with the federation covering predictable shortfalls. The example of old age insurance thus underlined the perverse effects, distributive and otherwise, of devolution, and permits a broader statement about the Yugoslav system (the chapter on liberal thinking provides additional analysis). Apart from its economically regressive potential, devolution perpetuated pre-socialist, initial conditions. To stress, this happened by default since by design the AVNOJ bargain militated against centralized authority with the capacity to force convergence among republics, let alone uniformity. AJ, SSRNJ, f142/II, b492(1960-1963), CK SKHr, Komisija za nacionalne manjine, “Neki problemi rada na iseljeničkim pitanjima”: 4 (Zagreb, 4 October 1960): 1-20.

However, these were quite different organizationally: Croatia’s had already of string of outposts in 45 municipalities while Serbia’s seemed to have relied on municipal offices of the Socialist Alliance, approaches that made sense given the different scales of emigration. Both urged for collected information on the number of visits and remittances; while Croatia produced far more materials, its noteworthy that Serbia’s foundation only noted that in 1951 only 350 visited and $1 million of remittances were sent, while in 1960 some 15,000 emigres visited and remitted $25million. AJ, SSRNJ, f142/II, b492(1960-1963), Komisija za Međunarodne veze, Materijali o

425 After two years, and despite several revisions, the law had not move out the Pravni savet of the Federal Executive: AJ, SSRNJ, f142/II, b492(1960-1963), Izvršni odbor Saveznog odbora SSRNJ, Komisija za nacionalne manjine. Materijali o iseljenicima, CK SKHr, Komisija za nacionalne manjine, “Neki problemi rada na iseljeničkim pitanjima”: 4 (Zagreb, 4 October 1960).

426 The first printed material confirms that the Matica, not some federal executive bodies, principally dealt with cultural and educational side of emigration policy and it confirms the supportive stance of predominantly Dalmatian émigrés to the Southern Cone – the regime saw the Jugoslovenski glasnik from Chile and Jugoslovenski vjesnik from Uruguay as the most pro-Yugoslav publications; Slovene migrants remained disproportionately represented. AJ, SSRNJ, f142/II, b492(1960-1963), Komisija za Medjunarodne veze, Materijali o iseljenicima, Izvršni odbor Saveznog odbora SSRNJ, Komisija za nacionalne manjine. “INFORMACIJA o nekim pitanjima jugoslovenskih iseljenika” (Beograd, 8 November 1960): 12; “ZAKLJUČCI sa V sednice Saveta za pitanje iseljenika pri Sekretarijatu SIV-a za socijalnu politiku I komunalna pitanja.”

427 Indeed, the Federal Executive’s Committee for Organization, the body that proposes administrative changes to the Presidency of the Federal Executive, rejected the argument that unifying the budgets and staffs of would plausibly provide adequate funds for an executive agency tasked with dealing with emigration issues. Similar reasoning applies to the work of the Heritage Foundations, ostensibly an autonomous civic organ. Specifically, the report calls for “the transformation of the coordination committees of the Matici into an all-Yugoslav permanent body” (“pretvaranja koordinacionog odgobra matica iseljenika u jedan opstjugoslovenski stalni organ.”) AJ, KPR, f837, b267 FII-9-a-Iseljenici (1954to1979), D.J. “INFORMACIJA o iseljenickim pitanjima” (Belgrade, 11 December 1959): 4, 12; 22-23. The small number of consular staff in the 1950s and the absence of an all-Yugoslav Foundation suggest the very limited work that could be done on fostering among émigrés support for the regime, let alone some form of Yugoslavism. The paucity of evidence for fostering Yugoslavism among migrants does not mean that the regime in fact did not intent to foster such sentiments – “the lack of evidence does not mean evidence of lack.” In short, emigration represented an early example of republican “independence” from direct centralized oversight.


In a move away from draconian retributive, if not toward restorative justice, the law explicitly excluded from the general amnesty only two categories – those in leadership positions during the war and those suspected of war crimes – and thus the regime redefined, or more precisely individuated responsibility for war crimes. (*Vodič kroz pravne propise za Jugoslavenske iseljenike*. Beograd: Turistička štampa, 1963.) The legislation, enacted the following year, merits attention from post-dissolution era scholars, and specifically the rather forgiving legal standards set for those living abroad, including those who belonged to various armed formations active during World War Two (*Službeni list FNRJ*, 12/62). At least in law, émigrés legally ceased being traitors and criminals, though this of course does not mean that they ceased being a suspect class. Still, with the amnesty, former foot soldiers from various anti-Titoist formations moved closer to the ranks of economic migrants and adventurers, groups who certainly do not belong to a socialist revolutionary vanguard but neither are they enemies of the state.


Something of a gradient existed: the less developed the entity, the higher the proportion of males, from Vojvodina with 57% men to Kosovo with 95%, according to official estimates. Haberl, Othmar Nikola. *Die Abwanderung Von Arbeitskräften Aus Jugoslawien: Zur Problematik Ihrer Auslandsbeschäftigung U. Rückführung*. 1. Aufl. München: Oldenbourg, 1978: Tabelle 26. [[Next iteration: INSERT Graph Nikola: %Male by GDP.]]


The first, 1963 edition opened with a summary of the amnesty law, testimony to ongoing political liberalization, and then outlined a litany of economic measures. These included import privileges of those working abroad, the customs duties that apply to each category of consumer goods, an innovative home building indirect subsidy, akin to those offered by the Greek government, and, lastly, banking. The regulation of economic transactions, from the quotidian questions of how to register foreign cars left in the country to complicated ones such as what interest rates to offer on dinar and hard currency accounts of émigrés without creating a de facto rentier class captured both Yugoslavia’s embeddedness in the international system and in socialist financial practice.


Archives of the Republic of Slovenia, Personal Collection of Boris Kraigher, AS, f1529, b20, Conversations, 1962 to 1965; meeting minutes from 14 February 1964: Conversation with Tito; and 15 February 1964 talk about migration to Roman Albreht.

AJ, SSRNJ, f142/II, b493 (1964-1966), Komisija za medjunarodne veze, Materijali o iseljenicima; Savet za iseljenike. “INFORMACIJA o izvršenju zaključaka III sednice Saveta za pitanje iseljenika, o drugim akcijama Sveta I o problemima o radu” (19 June 1964): 7. Spending foreign currency contributed to inflation by pushing up prices of goods émigrés and their families consume, including home building materials and various services – in effect, more money chased the same amount of goods. If émigrés deposited currency in domestic banks, banks could potentially channel these savings into more productive investments, such as roads and factories, instead of using it for building lavish homes in the hinterland. In May 1964, for instance, elites from Croatia quite publicly urged altering banking laws to stimulate saving in domestic banks by guest workers, who kept over 150 million DM in German banks alone. AJ, KPR, f837, b71, FIII-B-1-C (Economic Issues, 1953-1968), “IZVOD iz Biltena Izvršnog vijeća Sabora SR Hrvatske” (Broj 14, 23 May 1964): 1.


China, Poland and Italy received more in net terms but far less in per capita terms. Woodbridge, George. *UNRAA: The History of the United Nations Relief and Rehabilitation Administration*. New York: Columbia Univ. Press, 1950.
While the only thing that the Croatia’s Socialist Alliance Committee could do was to make a specialized subcommittee to study the issue further, the security apparatus provided it information, revealing the breadth of its activities. AJ, CKSKJ, IIH, f507, b30/1-43, Vansednicki material CKH, 1953-1974 (January 1953 to 17 April 1972), Untitled memorandum (marked Top Secret) and received in CK SKJ 29 January 1964: 4.

Specifically on Draganović: “koji zivi u jednom samostanu I dostojno zalazi, narocitu medju Gradiscanske Hrvate. Njegova aktivnost vrlo profinjena I ne zasniva se na propagiranju ustavstva, nego na evociranju tradicija Hrvatskog naroda.” (6) Milan Mišković and Zvonko Komarica from Croatia’s Executive Council spearheaded the subcommittee.


For example, Bulletin 22 from November and December of 1966, reveals an increase of foreign currency receipts, including in savings accounts in domestic banks, as well as early instance of a “skills drain.” Evidenced by a doubling of emigration requests by highly qualified workers, from 336 to 825, and a tripling of requests of skilled labor, from 3,853 to 11,391, between 1965 and 1966, the start of skills drain immediately followed the section on currency. The bulletins carry the stamp “top secret,” which shows their sensitive nature though the format suggests broad if not wide circulation within the government apparatus – the bulletins compile sensitive information, not just on remittances but on the émigré press and labor conditions, from numerous agencies and institutions and the resulting product serves as an almost monthly almanac intended for the top echelons. AJ, SSRNJ, f142/II, b493 (1964-1966), Komisija za medjunarodne veze, Materijali o iseljenicima: Bilten Saveta za pitanje iseljenika Broj 22, God II nov-dec 1966: 4-5. To offer another example, Bilten Saveta za pitanje iseljenika (Broj 14, God I, December-
January 1965/1966), Strogo Pov: 14-15. Foreign currency receipts (“devizni priliv”) is by far longest and most
detailed section.

459 The savings figures are rough estimates based on data from Germany, as are the number of émigrés, but the
actual receipts include not just receipts by local banks and post offices as well as detailed information of purchases
made with hard currency. AJ, SSRNJ, f142/II, b493 (1964-1966), Komisija za medjunarodne veze, Materijali o

460 As the proceeding chapter also demonstrates, bottom-up, or “private order institutions” a la Avner Greif also
seeking clearly predominates in socialism. A classic statement North, Douglass C. Structure and Change in

461 AJ, SSRNJ, f142/II, b493 (1964-1966), Komisija za medjunarodne veze, Materijali o iseljenicima: “Izveštaj o
radu Saveta za pitanje Iseljenika u 1965 god.”: 19.

462 AJ, SSRNJ, f142/II, b494 (1967), Komisija za medjunarodne veze, Materijali o iseljenicima, Savet za
pitanje iseljenika, letter from 29 August 1966, Br. 535 to Dragutin Djurdjev, SO SSRNJ from Predsednik Saveta
Djuro Stanković; AJ, SSRNJ, f142/II, b494 (1967), Komisija za medjunarodne veze, Materijali o iseljenicima, Savet
za pitanje iseljenika, letter of Pres Komisije Djuro Stanković to Dragutim Djurdjević (6 June 1967).

463 AJ, SSRNJ, f142/II, b494 (1967), Komisija za medjunarodne veze, Materijali o iseljenicima, Savet za pitanje
iseljenika, pismo Pomocnika predsesnika, Brako Pavić to Dragutin Djurdjev (7 January 1967); materials for XIII
nove emigracije – kako onih koji odlaze u cilju privremenog zaposlanja, tako I onih koji se iseljavaju –
prevazilazi sva predvidjanja I ocekivanja.”)

464 AJ, SSRNJ, f142/II, b266 (1967), Sekcija za privredu, Sednice, Savezni biro za poslove zaposljavanja, “Neki
problem zaposljavanja radnika u inostranstvu”: 1; Opšta kretanja I pojava: “1. Zaposljavanja nasih radnika u
inostranstvu afirmisalo se kao opsta I objektivno uslovlenja pojava. Spoljna migraciona kretanja postaju deo
savremenog ekonomskog I drustvenog razvoja koje je karakteristicko za vecinu zemalja sveta. Zbog toga se na ovu
poljau I gleda kao na ekonomsku zakonitost u sadasnijim uslovima naseg privrednog razvoja. Odlazak na rad u
inostranstvo je kompleksna pojava, na ciji razvoj posebno utice nas trenutni privredni razvoj, ukljucivanje nase
privrede u medjunarodnu podelu rada, pravo gradjana na slobodu kretanja I izbor zanimanja, liberalizacija prelaska
drzavne granice I sl.”

465 Zdenko Antic, “Manpower Exports Boost Yugoslavia's Economic Reforms” BOX-FOLDER-REPORT: 124-2-
175 1967-2-13; 1

466 “Zemaljski ured je u aprilu ove godine prisvoio pravo na samostalno odlucivanje u vezi sa uvozom nasih radian.”
AJ, SSRNJ, f142/II, b494 (1967), Komisija za medjunarodne veze, Materijali o iseljenicima, Bilten Savezne
komisije za pitanje iseljenika (Belgrade, Broj 1, Godina III, May-June 1967): 3.

467 A comparison between Greece, Turkey and Yugoslavia: Schiller, Gu□nter. Utilisation of Migrant Workers’
Savings, with Particular Reference to Their Use for Job Creation in the Home Country. OECD: Paris, 1979; Haberl,
Othmar Nikola. Die Abwanderung Von Arbeitskräften Aus Jugoslawien : Zur Problematik Ihrer
The analytical capacity, largely separate from if not entirely independent of federal oversight, suggested that Slovenia had at least some space to devise policies separate from if not entirely independent of the federation. AJ, SSRNJ, f142/II, b493 (1964-1966), Komisija za medjunarodne veze, Materijali o iseljenicima, "Izvestaj o radu Saveta za pitanje iseljenika 1964" [not dated! – not look very professional; sent with letter by Presednik Saveta Djuro Stanković, dated 11 February 1965, Pov. Br. 87): 2, 5, 6, 9.

Under these conditions, it seems unsurprising that highly skilled cadres, whose education the state financed, could not find employment even when the regime set policies for firing workers and hiring more qualified cadres (ibid: 14).


This, according to secret communiqué to Tito from a fact-finding mission undertaken to North America by a veteran cadre, Ćedo Kapor. Kapor, a Spanish Civil War veteran, highly decorated Partisan from Herzegovina (Trebinje), historian of the Yugoslav contribution to the Spanish Civil War, and stayed in Sarajevo during the siege (and signed a petition by dozens of high-ranking Partisans “Apel za mir i zajednicki zivot naroda BiH,” Politika, 30 April - 2 May 1992).

AJ, KPR, f837, b267, FII-9-a-Iseljenici (1954-1979), Genralni sekreterijat Predsednika Republike, “Neka zapažanja o stanju medju iseljenicima u Kanadi I SAD” (Belgrade, 1 April 1968): 3

AJ, SSRNJ, f142/II, b475(1970), SSRNJ, KOO za radnike u inostranstvu; “PODSETNIK o nekim aktualnim političkim pitanjima zapošljavanja naših radnika u inostranstvu”: 2. (Original text: “Posto je zaposljavanje naših radnika u inostranstvu dobilo “pravo grada” u Nasem društveno-politickom zivotu, trebalo bi svakako pobiti definisati dimenzije migracionih kretanja van nasih granica, upotpuniti mehanizme I instumentarije ekonoske I pravno-sociolne zastite/odrediti nosioce te aktivnosti/ od komne do Fedecacije.”)


He was a member of the Executive Council presided by Mitja Ribiči (1969-1971) and Džemal Bijedić (1971-1974), and served as member of Bosnia’s Presidency during the occurrences of Marian aperrations in Herzegovina in the 1980s.


Obzirom na to da u republike osnovni nosioci informativno-propagandne delatnosti I da je federaciji prepustena samo koordinacija, trebace ubuduce informativno-propagandnu djelatnost jacati I prilagodjavati je specificnim interesima republike Slovenije. Od dosadasnjeg nacina bice potrebo da se pridaje jakam izrazitijem usmeravanju informativno-propagandne delatnosti. Ona treba da utice na organiziran odlazak radne snage preko legalnih kanala, kao I da sa svim informativnim sredstvima obezbedjuje sto tesnju vezu radnika u inostranstvu sa domovinom [implicitly, this is Slovenia, not Yugoslavia?]. Oblazim na potrebe predvidjene srednjorocnim planom republike Slovenije bice potrebno da se informativna propagandna delatnost usmeri u provom redu na repatrijaciju svih onih kadrova koji su Sloveniji najpotrebniji za izvrsavanje postavljenih ciljeva. (27); and Akcijski program IO ZK SZDLJ, “Pripombe k razpravi 27/5-1971 v Beogradu”: 1. Executive Council of its Socialist Alliance bluntly stated later than April that Slovenia “already surpassed the reasonable bounds of emigration.”


The term had been used by an association of émigré clubs from Yugoslavia just the previous summer in a joint letter to the Federal Executive, which also noted that remittances exceeded all foreign income except from tourism. AJ, SSRNJ, f142/II, b475 (1970), KOO za radnike u inostranstvu, SIV, Kabinet Predsednika (20 August 1970): Pismo Juglovenskih klubova.

Tito marked a through synopsis of the 1973 article with his initials. An good overview of research publications:


Presedništvo SFRJ, Sluzba za društveno-politička pitanja 06-1134/73, “Zapošljavanje Jugoslovenskih radnika u inostranstvu” (Belgrade, 23 November 1973): 2; the memo summarized the *Sociologija* (2/1973) article.


A point worth underlying as the purge of Stane Kavčič rested on his disagreement with Edvard Kardelj and other hard-liners on the ideological basis for creating a socialist variant of publicly-traded stocks of enterprises, whose value partially derived from firms,’ pension funds.


23% for 1972, for example: AJ, KPR, f837, b72, FIII-B-1-C (1969to1980) “Doznake radnika u inostranstvu (1973)”: 1


A large font was used in a July 1976 letter of support: AJ, KPR, f837, b267, FII-9-a-Iseljenici (1954-19792).


This is a separate project, but one instance of émigrés openly calling for independence: Jeza, Franc. *Neodvisna Slovenija*. Trst: Franc Jeza, 1983.

It is unclear whether Stipe Šuvar echoed Edvard Kardelj, or the other way around, still Šuvar, the head of Croatia’s post-purge ideological commission in the Central Committee asserted, “We need a cultural revolution… not om a Chinese but in the Leninist sense.” Morris, Joe Allen, Jr. “Yugoslavia Suffers New Identity Crisis.” Los Angeles Times 11 Feb 1973: 3.


This was suggested by Stane Dolanc’s presence at Karadjordjevo, in Belgrade where he led the closing day of discussions instead of Tito, and, for part of the time, in Ljubljana.


Outlined in Chapter 3 as: entities have “property rights” to real surpluses (achieved via the price mechanism); the greater gains from exchange between entities based on comparative advantage, rather than on plan-based exchange, legitimize the “third way” and finance protection of the whole system (security apparatus).

The letter defined the major problem of the League of Communists as one of loosing its revolutionary character: “birokratična mentaliteta, drobnoposešniške stihije in malomeščanske mislenosti ker se izraža z nadomeščanjem načelne politike s politikanstvom in prodorom političnih intig, ki jih pogosto inspirirajo tuji sovršni elementi iz naše države ali pa iz tujine.” The attack is described briefly in Chapter 4 (Migration) based on reports Tito received.


HrDA, f1220, b5805, CKSKH, Razgovor delagacija SR Hrvatske i SR Srbije (10 March 1970), Jakov Blažević: 2.


AS, f1589, b1183, 21 seja Presedstva ZKJ, “I i II dio Matentofonskog snimka sa sastanka druga Tita s članovima Izvršnog komiteta i rukovodstva društveno-političkih organizacija, Sabora i Izvršnog vijeća SR Hrvatske, održavnog 30.XI i 1.XII 1971.g. u Karadjordjevu”: 41. Josip Vrhovec stated unequivocally during the first Karadjordjevo meeting that “iz Matice hrvatske se izrodio hrvatski narod, a ne obratno –tako.”


rukovodećim organima Saveza komunista, tako pomučeni i neodrživi unutranji odnosi; ozbiljne pojave grupe, sve do elemenata frakcionaštva; zašto je došlo do ovakvog stanja i tko je odgovoran” (emphasis added).

533 HrDA, f1220, bD5763, Gradskaya konferencija SKH. Sednica ponedjeljkom GK SKH i Gradskaya konferencija SSRN (Zagreb, 27-29 December 1971), Služba za informacije, Bilten. studeni-prosinac 1971 9.11-12: 5; 7; 186-7.

534 HrDA, f1220, bD5818, Zagreb City Committee, Regional Committee of SKH, Zagreb-West, “INFORMACIJA o raspravi, stavovima, zaključima i zadacima organizacija SK nakon 21 sjednice Predsjedništva SKJ i 23 sjednice CK SKH”; 3. The folder contains numerous statements from firms from 1971 to 1972.


537 Informativni pregled 3 (June 1972): 33.


539 For instance, Kolb, Charles E. M. “The Criminal Trial of Yugoslav Poet Vlado Gotovac: An Eyewitness Account”

Human Rights Quarterly 4.2 (Summer 1982): 184-211


541 ASr, CKSKS, fDj2, b80, 33 Sednica CKSKS, 22 January 1972. (ako se ne vide u zroci ve samo posledice politika se neminovno pretvara u vatrogasno društvo koje treba nešto da spreći, eventualno privremeno zaleći.)


543 ASr, CKSKS, fDj2, b80, 34 Sednica CKSKS, 23 December 1971: 5/2 JT; 48-5/3 JT; 49 (“ako se ne vide uzroci ve samo posledice politika se neminovno pretvara u vatrogasno društvo koje treba nešto da spreći, eventualno privremeno zaleći.”)

544 ASr, CKSKS, fDj2, b80, 35 Sednica CKSKS, 7 March 1972. "INFORMACIJA o zajedničkoj sednici CK SKS i Predsjedništva Republičke konferencije SSRN Srbije, održanoj 7 i 8 marta 1972"; 3. The agenda had only two items: i.SSRN Serbia and SKSr on activities aimed at achieving ethnic equality; ii. Financing SKSr (closed section).


“The strategy of consultation with the local party active recurred during Slobodan Milošević’s take-over of the Central Committee in the late 1980s.


The shares turned the self-management equivalent of “hire contracts” into something approaching “contingent contracts.” Owning interest-yielding shares in their enterprise changes incentives workers face given the link between interest payments and the firm’s production and profits. Presumably, the more stock a worker owns the lower the pay-off from shirking (since workers get paid with a piece of the output they produce), and thus the lower the monitoring costs of the governing board. What is more, worker stock-holder has a greater incentive to monitor the board’s decisions with regards to trade-offs between production efficiency and risk-taking: is it riskier to invest in future production versus to increase present consumption?


Founded in 1950, Gorenje the enterprise represents a successful case of socialist industrial policy that then contributed to regional development within Slovenia. Note on Prinčič and Borak. A similar trend occurred in Macedonia, the difference being that key advisers rather than key enterprise managers resigned – perhaps an indirect confirmation of Gerschenkron’s observation, the further from the economic core the greater the role of the state in the economy.

Cohen, for example, shows that the League membership dropped from about 1,146,000 in 1968, the zenith of the reforms to about 1,010,000 in 1972, when the purges ended (Cohen, Lenard J. *The Socialist Pyramid: Elites and Power in Yugoslavia*. Oakville: Mosaic Press, 1989: 400). Though rather imprecise, this shows the scale of the


574 The journal received contributions from much of the New Left scene and represented the close cooperation between scholars from Croatia and Serbia during its original run (1964-1974). Gruenwald, Oskar. *The Yugoslav Search for Man: Marxist Humanism In Contemporary Yugoslavia*. South Hadley, Mass.: J.F. Bergin, 1983.


580 For example, only in the 1968, figures appear on political and social organizations, the League of Communists, Social Alliance, Association of Syndicates, and the Youth Association, but not between 1966 and 1964. *Statistični Letopis SR Slovenije*. Ljubljana, 1968: 49. Zvonko Štaubringger provided key figures between the Seventh and Eight


583 The historical sociologist Latinka Perović estimated that the party in Serbia removed some 60,000 of the “most literate.” A decade after the publication of her groundbreaking account that looked at the entire federation based on hitherto unavailable documents and on her personal recollections – Miko Tripalo and Stane Kavčič both focused far more on their own republics and their own experiences– Perović provided more detailed estimates within the project “dialogue of historians” (Dijalog povjesničara/Istoričara, discussed in Chapter 2). The party in Serbia removed about 70,000 from business, science, culture and the media, and purged between 5,000 and 12,000.


The price scissors, an important tool in Soviet industrialization, entailed unfavorable terms of trade between the urban and rural sectors, or the plummeting price of agriculture and stable or increasing prices of manufactures during the protecionist 1930s: Berend, T I. *Decades of Crisis: Central and Eastern Europe Before World War II*. Berkeley, Calif: University of California Press, 1998.

Where does a purge start and active cadre policy ends? Whatever the answer, any story about liberals’ culling of party ranks also needs to take into account another factor that may have contributed to arresting growth of the membership, an option apparently still open to more pragmatic-minded citizens, who may have simply delayed entry into the party to see how “things would turn out.” The reference is from Cvetković, Srđan. “Tito ostao u manjini.” *Vecernje Novosti*. 22 January 2012.


Čanadanović, Mirko. “Okupljanje oko Titove linije.” *Nedeljne informativne novine* (2716) 16 January 2003. An arguably greater difficulties with using sanctions to indirectly ascertain the scope of a reformist network concerns the sub-categories provided by the party’s statute and their application in specific cases and a very strong assumption about consistency of meaning and probability of prosecution results in a neat interpretation: disciplinary hearings in nine separate parties (the number increased to ten after 1971) point to a stable rate of economic crime and failings in personal life but somewhat larger oscillations in political crimes prior to the purges.

I am grateful to Iva Lučić for bringing this unusual census to my attention. AJ, f507/XIII, b44/2, CK SKJ, Komisija za razvoj SKJ i kadrovsku politiku, *Popis članova SKJ, 31 March 1957* (Belgrade, October 1957). Most censuses, however, followed a standard format: In the first, shorter section (30 to 40 pages) featured summary statistics for the previous decade, including the party’s size in each entity plus the army, as well as basic demographic indicators (nationality, gender, age, years of membership, human capital and occupational indicators).
The second, much longer section (80 to 120 pages) summarized macro trends, say entry into the party, during the previous calendar year in each entity and along pairs of indicators, say the occupational background of new female and male members.

For example, Serbia’s party forwarded a tally of fluctuations of membership for each municipality during the first six months of 1972 to the central office in September and, in turn, Kosovo’s and Vojvodina’s party forwarded its tally to Serbia’s. In the case of Serbia, the annual publication was about 120 in odd years and 180 pages in even years, and all contain comparative information for a four year period (the main census contains ten-year summary statistics on membership). Like the central party census, it only contains tables, with few changes in formatting until the introduction of computer-generated tables around 1975 (e.g., “Statistički pregled o članstvu (stanje 31. Dec XXXX), Belgrade, May XXXX+1. As late as 1976, the censuses carried the “strogo po” (“strictly confidential”) stamp. ASr, fDj2, b277. Centralni komitet SKSr, Statistički izveštaji i predledi o članstvu SK Srbije, 1974-1978, CK SK Sr, Odeljenje za razvoj, idejnu izgradnju i kadrovsku politiku, “Statistički podaci o SK Srbije” (Belgrade, December 1976) Strogo po. The annual census for Serbia used here: ASr, fDj2, b162, Centralni komitet SKSr, Statistički izveštaji i predledi o članstvu SK Srbije, 1969-1974, “Statistički pregled o članstvu Saveza komunista Srbije (stanje 31. December 1974)” (Belgrade, May 1975), as well as half-annual and other reports.

For instance, in 1957 the Federal Statistical Agency helped prepare a detailed party census that included such gems as the number of members with active sanctions on their record. To ascertain the number of new sanctions, subtracting 1958 figures from 1957 ones gives only an approximate number since some of the members who died in a given year decreased the total and the party “removed” (“skinuti”) a number of sanctions. Sometimes listed, as in 1961, when 29,635 members had sanctions after the party removed 4,685 sanctions. I thank Iva Lučić for this material: AJ, f507/XIII, b44/9, Komisija za razvoj SKJ I kadrovsku polituku, “Statistički pregled o članstvu Saveza komunista Srbije (stanje 31. December 1961)” (Belgrade, February 1962): 32.

For completeness, Table 25 replicates the reasons for expulsions in a pre-reformist year (1958) with a reformist era year (1966) and a post-reformist one (1975), with 1962 included for as complete a presentation of categorization of expulsion as current evidence permits. Additionally, the four snapshots spanning nearly two decades, evidence the three macro-level changes relevant for purging. Joint censuses before the purges contain as much detailed evidence on lesser sanctions as on expulsions, namely the gender, nationality, years of party membership and some indicator of human capital (qualification level, employment type).


Informativni pregled 3 (June 1972): 1, 28.


Paranthetically, the reasoning by the arbitrar in chief echoed the jocular observation from Stane Kavčić that hiring up to five workers kept a small business consistent with self-management but hiring the sixth equaled capitalism (Chapter 3). Stanković, Slobodan. “Tito Threatens Domestic and Foreign Enemies of Yugoslavia.” *Radio Free Europe Research* (HU OSA 300-8-3-10802) (12 September 1972): 3.


More on the letter below, for now the party’s Presidium had not approved the letter – Tito and Stane Dolanc issued it and liberals failed to endorse the letter publicly in Serbia (eg, Nikezić, Perović) or Macedonia (eg, Červenkovski, Čemerski), a quiet act of defiance. Antić, Zdenko, “Tito's Vjesnik Interview.” *Radio Free Europe Research* (HU OSA 300-8-3-10793) (10 October 1972): 4.

A recent feuillete on liberals based on archival records from the security services: Cvetković, Šrdan. “Velika čistka kadrova.” *Večernje novosti* 23 Januar 2012, and an older one by one of the purged from Vojvodina, cited below.


The news about Slovenia had been bundled into other, supposedly bigger developments. For instance, Trevisan, Dessa. “President Tito Likely to Reshuffle his Team.” The Times (London) 31 October: 6.

He seems closer to reformers from Serbia and even Macedonia than from Croatia, something that he attributes the propensity to have better relations with a join neighbor’s neighbor than with the neighbor. Kavčič, Stane, Igor Bavčar, and Janez Janša. Dnevnik in Spomini, 1972-1987. Ljubljana: Časopis za kritiko znanosti, 1988: 131; 41; 76.


Lingering questions concern the size of the spike in 1968 of 7,000, like Serbia 10% of the party, and why the excess exits totaling nearly 5% of the party in 1972. Both merit further research.


Doder, Dusko, “Purge cuts Tito’s Party by 10%.” The Washington Post 22 May 1974: A36. They were in the Faculty for Sociology, Political Science and Journalism (FSPN), but the list included others, including Vlado Benko, Zdenko Roter, Niko Toš and France Vreg. Repe, Božo. “‘Liberalizem’ v Sloveniji.” Borec. 44.9-10 (1992): 212/882-215/885.


The main thrust of Mislavlevski’s argument fell broadly in line with prevailing notions about the nationality question. Macedonians and Croats constituted the titular and enumerated nations in their respective republics and rejecting this qualified as unacceptable. Thus, as he argued, Serbs in Croatia like Albanian and Turks in Macedonia “do not have a future” outside Croatia and Macedonia, something that a more positive statement would have expressed in a less jarring manner. Antić, Zdenko. “Internal Struggle within Macedonian Party.” RFE (5 February 1973): 1-5.


Obituary that chronicles his role in the Partisan struggle, the JNA and, more controversially, his indictment by the ICTY ; his autobiography: Bobetko, Janko. Sve Moje Bitke. Zagreb: J. Bobetko, 1996.


Repe, Božo. “‘Liberalizem’ v Sloveniji.” Borec. 44.9-10 (1992): 948/278.

The Partisan-era elites simultaneously opened a policy window for reformist initiatives (liberal content) and insisted on the institutional primacy of the party established during Lenin’s “war communism” (Bolshevik form). As Ivo Banac observed, “full enlightenment about the malignant side of the Soviet model was not sufficient to stem the caution with which the KPI/SKJ leadership circumscribed every concession to market mechanisms and to political pluralism – caution born of the realization that the path to liberalization leads through dangerous political territory.” Banac, Ivo. With Stalin against Tito: Cominformist Splits in Yugoslav Communism. Ithaca: Cornell University Press, 1988: 256. I am grateful to Agnieszka Smelkowska for bringing this quote to my attention.

Repe, Božo. “‘Liberalizem’ v Sloveniji.” Borec. 44.9-10 (1992): 225, fn519. Macedonia’s Secretary of the Central Committee, Slavko Milosлавевski also had to “self-critically” reflect on his participation in a round-table, “Political dialogues” held in Zagreb on 13 April 1971 (ibid.: 223).

Recounting the reasoning behind the decision to air what had been initially a closed meeting: Tripalo, Miko. *Hrvatsko Prošće*. Zagreb: Globus, 1989: 194.

Put differently, the absence an immanent geopolitical threat coupled with the strong cue that signaled the start of the membership drive around 1973 suggested that the party veered of course.

One hypothesis to explore with better data would be whether the purges follow a Pareto distribution, the “80-20” function that captures most of the purging: 80% of the those affected took place in the initial 20% of timeframe. A Pareto-type distribution forms the conceptual basis for the Lorenz curve (Chapter 5) Most the purging in Croatia and Slovenia took place within a trimester, as it had in “central” Serbia and in the two provinces, Vojvodina in Kosovo. However, the purges started later in Vojvodina (late summer 1973) than in “central” Serbia (fall 1972), and thus taking half of the total for both 1972 and 1973 does give a comparable estimate to the estimate for Croatia and Slovenia – excess exits within a twelve month period – but may well undercount the numbers affected in Vojvodina. To repeat, the approach takes a conservative approach by limiting estimates to a single year in all republics.


The tally does not include deaths, data not directly collected by party, but tracked expulsions, erasure and disenrollment, unfortunately as an aggregate number that indirectly confirmed that all those categories represented simply exits. For completeness, the table summarizes the results:

<table>
<thead>
<tr>
<th></th>
<th>1972</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>First Half</td>
<td>Second Half</td>
<td>Year-End</td>
</tr>
<tr>
<td>&quot;central&quot;</td>
<td>3,339</td>
<td>7,367</td>
<td>10,706</td>
</tr>
<tr>
<td>Vojvodina</td>
<td>2,023</td>
<td>2,786</td>
<td>4,809</td>
</tr>
<tr>
<td>Kosovo</td>
<td>421</td>
<td>773</td>
<td>1,194</td>
</tr>
<tr>
<td>Belgrade</td>
<td>2,522</td>
<td>3,527</td>
<td>6,049</td>
</tr>
<tr>
<td>Total</td>
<td>8,305</td>
<td>14,453</td>
<td>22,758</td>
</tr>
</tbody>
</table>


The precise content shifted slightly, as a comparative reading of decadal celebrations of ANVOJ sessions uncovers (1953, 1963, 1973), yet the basic thrust persisted, maximizing political devolution (state and party) while minimizing security risks (internal and external) entailed by devolution.


Thus, their number spiked after Tito’s death across the country (270,000 in 1971 to 1.2 million in 1981) and, another topic for more research, perhaps as a response to rise of nationalism in 1990. In Vojvodina, the number of

<table>
<thead>
<tr>
<th>Year</th>
<th>Croat</th>
<th>Slovene</th>
<th>Serb</th>
<th>Montenegrin</th>
<th>Yugoslav</th>
<th>Muslim</th>
<th>Albanian</th>
<th>Macedonian</th>
<th>Hungarian</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>1971</td>
<td>8.4</td>
<td>3.7</td>
<td>60.4</td>
<td>7.0</td>
<td>6.1</td>
<td>1.3</td>
<td>0.3</td>
<td>5.8</td>
<td>0.5</td>
<td>1.5</td>
</tr>
<tr>
<td>1981</td>
<td>12.6</td>
<td>2.8</td>
<td>60.0</td>
<td>6.2</td>
<td>6.7</td>
<td>2.4</td>
<td>0.6</td>
<td>6.3</td>
<td>0.7</td>
<td>1.6</td>
</tr>
<tr>
<td>1990</td>
<td>12.5</td>
<td>2.3</td>
<td>54.3</td>
<td>5.2</td>
<td>9.6</td>
<td>5.3</td>
<td>1.5</td>
<td>7.3</td>
<td>1.0</td>
<td>1.4</td>
</tr>
</tbody>
</table>

646 “There was a satisfactory increase in invisible exports, especially from the tourist trade, the merchant fleet and remittances of workers from abroad.” Bićanić, Rudolf. “Economics of Socialism in a Developed Country.” *Foreign Affairs*. 44.4 (1966): 643.

647 AS, Kraigher f1529, b20, Meeting minutes: 1965.VIII.17. Ambassadors reported that the US, France, Italy and the UK all agreed to postpone loans after the Yugoslav government asked for this.


651 Starting with UNRRA and through the Cominform crisis Yugoslavia benefited from what may be called “pre-bates,” grants for food, machinery and other forms of assistance intended to decrease the perceived costs (or increase the perceived benefits) of reform more indirectly support for reform; by the 1960s, Yugoslavia developed considerable experience in the international economic sphere and benefited from “rebates,” favorable loans after economic reforms. A comprehensive study based an her PhD thesis: Gnjatović, Dragana. *Uloga inostranih sredstava*


653 These were the unscripted remarks of Jakov Blažević, the President of the Sabor of Croatia, during a debate on “Policy of Economic Development of Underdeveloped Regions, 1971-1975,” held in Knin. HrDA, f1220, bD5650, “Zapisnik sa savetovanja o ekonomskoj politici i mjerama za ubrzaniji razvoj privrednog nedovoljno razvijenih krajeva SR Hrvatske u razbodlju 1971-1975 godine koje je odrzano u Kninu 5.II.1971 god.” Jakov Blažević: 51. The meeting took place after Karadjordjevo and the start of the purges, and intended to allay fears of Serbs about the politically unacceptable resurgent Croatian nationalism. As a side note, a similar attempt would take place in 1990.

654 Burg, Steven L. Conflict and Cohesion In Socialist Yugoslavia: Political Decision Making Since 1966. Princeton, N.J.: Princeton University Press, 1983: 88-100. With the emergence of Inter-Republican Committees in the Federal Executive, in 1971, something resembling a bargaining mechanism existed – republics sent representatives with voting instruction, but the 1974 Constitution did away with these. For instance, prior to the rise of the liberals, in mid-1965 the Federal Executive gave priority to aluminum production in Montenegro, which would lead to the creation of the republic’s largest industrial enterprise, Kombinat Aluminijuma Podgorica (KAP) – even nowadays, after decades of state subsidization and hardly a poster child of successful rapid industrialization. (AS, f1529, b20, Kraigher meeting minutes: 1965.VIII.9.)


657 The sentence is actually underlined in the document. AJ, f507/XIII, b31/25, “Pregled funcionera saveznih organa, ustanova I rukovodstava drušveno-političkih organizacija po republičkoj pripadnosti, koji se nalaze na stalnom radu u Federaciji, (Stanje na dan 1 jun 1963), sa primedbom Aleksandra Rankovića”: 4.


659 Prinčič, Borak, Od reforme do reforme: 140

660 In recent historiography, a tendency exists for the federation to serve as the culprit when things go poorly, and for the republics to appear as prime movers when things go less poorly. A neglected and careful study of jurisdictional matters, which an extended section on the 1960s: George A. Potts, The Development of the System of Representation in Yugoslavia with Special Reference to the Period Since 1974 (Lanham, MD: University Press of America, Inc., 1996).

661 Pressman, Jeffrey L, and Aaron B. Wildavsky. Implementation: How Great Expectations in Washington Are Dashed in Oakland: Or, Why It's Amazing That Federal Programs Work at All, This Being a Saga of the Economic


603 Raičević. Osobnosti razvoja: 105-106, 81.

604 Bićnić. “Economics of Socialism”: 638.

605 Pred časom: 177-179.


611 Mladen Vedriš, “Ulaganje usteda vanjskih migranat u drustveni sector privrede.” Raspreve o migracijama. 33 (Zagreb, 1977): 4: He outlines the regulatory framework, published in Sluzbeni list 58 from 22/12/1971, Law on Paper Securities (Zakon o vrednosnim papirima), Article 11, “The bond can be purchased with foreign currency, under conditions outlined by the Federal Executive Council” (“Obveznica moze da se uplati u stranoj valuti, pod uslovima koje određuje SIV”) & Sluzbeni list 2 from 13 January 1972, which contained the regulations under which enterprises could issue bonds which would be purchased with foreign currency, and specifically Article 3: “A working collective has the possibility of granting share-holders, apart from interest, other accommodations” (“Radne organizacija može se obavezati da upisnicima obveznicu, pored kamate, dade I druge posebne pogodnosti.”)


614 The statement appears as an explanatory note to a summary table, and one that acknowledges that “as always before” fewer members appeared registered than entry and exit figures indicate (54,625 between the Xth and Xith
Testimony to internal and external mobility of Yugoslavia’s, the 250,000 unregistered exits from the party comprise a staggering 45% of the total decrease of the party’s ranks. During the period, some 600,000 members exited the party, some left the party voluntarily, a far smaller number passed away, and some the party erased from its records for lack of active engagement and some it expelled.

At the fortieth anniversary, the Archives of Slovenia featured the transcript: Mojca Tušar, “Arhivalija meseca (Oktober 2012): Obračun s Stanetom Kavčičem: Avtoriziran magnetogram 136. interne razširjene seje sekretariata CK ZKS (Ljubljana, 28. in 29. oktober 1972; Tipkopi s, 198 strani.).” Also, a documentary for Radio Television Slovenia: Repe, Božo. “Moč in nemoč slovenskega liberalizma.” Documentary film (70:34). Ljubljana, TV dokumentarna oddaja. 4 November 2009. A large academic gathering in Zagreb, discussed below.

For instance, according to the 1966 census, workers and agricultural labor drops from over 60% of entries in the late 1950s to some 40% by the mid-1960s. Since the number of entries fall from over 100,000 per year in the late 1950s to some 40,000 by the mid-1960s, the occupational structure of the party changes radically as the number of students and white-collar workers, as well as officers corps, declines proportionately less. Similar exercises hold for the dismissed. Statistički pregled SKJ (Decembar 1966), Belgrade, May 1967: 4.


To recall, Croatia’s Miko Tripalo pushed through in 1969 a cadre policy for the federation where proportionality applied to top decision-making posts, but not to their staffs (Belgraders had a locational advantage), and proportionality applied to entities, not to entities and nationalities, as Bosnia urged. Burg. Conflict: 114-117.


Integrate earlier: Terrorism might receive more attention in scholarship, though to be sure nothing like the German “red decade” took place. That said, in the early 1970s, an Ambassador was assassinated, a movie house in Belgrade blow up and an airliner; most seriously, an armed group of émigrés attempted to start an armed rebellion in the Herzegovina hinterland.

Maier, Charles S. The Unmasterable Past: History, Holocaust, and German National Identity. Cambridge, Mass: Harvard University Press, 1988. In Ljubljana last October 2009, the government unveiled a bust of Slovenia’s leading reformer, Stane Kavčič, which squarely shows his “acceptability” in an EU member state. The Croatian Helsinki Committee gives out an annual award for human rights, named after one of the purged party leaders, Miko Tripalo, and in 2003 Centre for Democracy and Law Miko Tripalo opened in Zagreb.