

An Assessment of the Collective Leadership System
in Yugoslavia since the death of Tito

by

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Until President Tito's death on 4 May 1980, his great prestige and powerful personality enabled Yugoslavs to gloss over difficult problems: divisive ethnic disputes, a collapsing economy, and, most importantly, the question of his successor. But now that the Tito era has ended, the Yugoslavs must confront the issues not only of the fate of Tito's political and economic programs, but also the direction of the collective leadership; Yugoslavia's relations with the Soviet Union and the nonaligned movement; and internal and external dissent. The key to formulating effective U.S. bilateral relations with a changing Yugoslavia, will be the understanding of its direction. This paper addresses Yugoslavia's problems and suggests a possible answer to the question: What direction is Yugoslavia taking after Tito?

ACKNOWLEDGEMENTS:

Since Tito's death, serious internal and external problems confront Yugoslavia. Chief among these is the disintegrating economic situation, a product of an increasing degree of foreign dependence and a foreign debt amounting to \$24 billion (1983). Other major problems include Soviet-Yugoslav relations, Yugoslavia's role in the non-aligned movement and increasing nationalism among the rival republics.

These are not the only problems that Yugoslavia faces, but given the limited space available, it was impossible to consider at length such issues as Yugoslav-Chinese or Yugoslav-American relations.

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I.I.T.

To my parents.

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State Department East European and Yugoslav Affairs Office Director
John Davis' tongue-in-cheek recommendation for Yugoslavia:

"Yugoslavia should work towards the Chicago model under the Daley machine.
In other words, a combination of laissez-faire economics with one political
party operating through a reasonably effective albeit corrupt machine."

INTRODUCTION:

Yugoslavia is perhaps the most uncertain entity in Eastern Europe. It consists of six "Socialist Republics" (Slovenia, Croatia, Bosnia-Herzegovina, Montenegro, Serbia, and Macedonia) and two "Autonomous Provinces" (Kosovo-Metohija or Kosmet, and the Vojvodina). It contains six different official "nationalities" (Serbs, Croats, Moslems, Slovenes, Macedonians, and Montenegrins) and two "national minorities" with one-half million or more members each (Albanians and Hungarians), as well as three different religions (Catholicism, Orthodoxy of various denominations, and Islam). Furthermore, the geographical distribution of the nationalities and minorities does not coincide with the territorial limits of the "Socialist Republics" and "Autonomous Provinces" (see Appendix 1). In the 1971 census, only 1 percent of the population described itself as "Yugoslav" without further elaboration. To some extent, the Yugoslav state originated as the artificial creation of the victors of World War I.¹

Even if the national groups were living in harmony with one another, the Yugoslav system would not be free from stresses and dangers. Yugoslavia has several neighbors staking claims upon its territory; Bulgaria and Albania have been asserting their demands concerning Macedonia and the Kosovo region, while Hungary and perhaps even Italy might, under suitable circumstances, resume advancing their claims respectively to the Vojvodina and to portions of Venezia-Giulia ceded to Yugoslavia by Italy after World War II. Moreover, the Yugoslav state shares common boundaries with Hungary and Bulgaria, two fairly loyal Warsaw Pact states. These countries might be used as bases of attack against Yugoslavia by Pact forces, led by the Soviet Union, should Moscow ever attempt to eradicate the renegade Yugoslav

state, with which it has had intermittent difficulties for nearly four decades. Recognizing the dangers inherent in this situation, the framers of the 1980 National Democratic Party Platform made specific and blunt reference to the importance of maintaining Yugoslavia as a non-Soviet-dominated entity in Eastern Europe:

The continued U.S.S.R. military dominance of many Eastern European countries remains a source of oppression for the peoples of those nations, an oppression we do not accept and to which we are morally opposed. Any attempt by the Soviet Union similarly to dominate other parts of Europe - such as Yugoslavia - would be an action posing a grave threat to peace.²

Unfortunately, the Yugoslav leadership does not have even a secure domestic base from which to defend itself. There is a longstanding tradition of Serbo-Croat animosity, dating back at least to the interwar era, during which the Serbs ruled Yugoslavia from Belgrade. This period was followed immediately by an even less harmonious episode during World War II, when, after Hitler's dismemberment of Yugoslavia in 1941, Croatian fascists, called the Ustashi, massacred Serbs in the areas controlled by the newly created Croat State. The Ustashi were successfully combatted by Josip Broz Tito (although himself half-Croat) and his group of Partisans, which was composed to a considerable extent of ethnic Serbs from Croatia and of Montenegrins.³ Thus, communism was viewed by many Croats as a substantially Serb phenomenon. The Albanian and Hungarian minorities, to a great extent, collaborated with the Italian and Hungarian occupation forces, and remained hostile to the communists after the war ended. Thus, these groups were treated as potentially subversive elements after Tito took over Yugoslavia. Macedonians, many of whom regarded themselves as

Bulgars and cooperated with Bulgarian occupation forces, 1941-44, finally were accorded the status of a separate "new" nationality after the war, having been compelled to pretend that they were mere "southern Serbs" from 1913 to 1941. However, the Macedonians resent having been prevented from realizing their original goal - reunification of the Bulgarian, Yugoslav, and Greek portions of Macedonia - and having been denied full and genuine autonomy.⁴

More recent conflicts have seen the economically developed Slovene and Croat Socialist Republics of northern Yugoslavia allied against a southern coalition of Serbia, the underdeveloped Socialist Republics (Bosnia, Montenegro, and Macedonia), and the Kosovo in disputes concerning economic and developmental policies.

On another level, the Yugoslav elite is divided over ideological questions concerning the proper implementation of "self-management socialism" and of liberalization of restrictions on freedom of expression. Recent developments have shown, however, that the central bureaucracy is developing an increasingly liberal stance. Similarly, the Croat, Serb, and Slovene intellectual communities have produced significant elements belonging to the so-called New Left, which advocates decentralization and expansion of civil liberties. Most notable among these groups has been the editorial board of the Zagreb journal Praxis.

This paper examines the various domestic and international problems in an attempt to assess the direction the Yugoslav state is taking. The viability of the Yugoslav state will be placed in the context of the NATO-Warsaw Pact strategic balance in the Mediterranean. In attempting to analyze the direction of Yugoslavia, this study will be divided into five

sections.

The first part deals with the effects of Titoism and the uniqueness of Yugoslavia, two important elements to the understanding of Yugoslavia's problems. The second part deals primarily with domestic problems besetting the Yugoslav state. The initial chapter considers the long-standing grievances among the republics. The second chapter is concerned with the failing economic situation since the death of Tito.

The third part deals with Yugoslavia's international problems. Chapter 5, with which that part of the book opens, explores Soviet attitudes toward Yugoslavia and their impact on that country. The following chapter considers the non-aligned position of Yugoslavia and assesses its changing role in the movement.

The fourth part examines three views cited in the literature to explain Yugoslavia's direction. The first is the "stand pat position," which states that Yugoslavia is continuing the present policies of Titoism. The second, the "Rumanian" alternative is a greater degree of centralization and firm hand, within a framework of maintaining the present independence of Yugoslavia from the Soviet bloc. The third is a more pluralist or liberal policy.

The fifth part deals with current data concerning six variables: political prisoners, dissident activity, social and political shifts, the ethnic complexity issue, economic restructuring and the foreign debt. Information from these variables will be used to analyze the three views.

PART 1

Background Scenario

Chapter 1: Titoism

Tito has towered over Yugoslavia ever since it emerged from the bloodshed and shambles of World War II. Painstakingly and often ruthlessly, he formed a vast and intricate party apparatus, directed the unification and reconstruction of the country, defended its independence, and provided the kind of leadership its survival required.⁵

He became a symbol of statesmanship and cunning, and projected many images in Yugoslavia and abroad: a tough, old partisan; a man who defied the Soviet Union against heavy odds; a benevolent father of his peoples; a world traveler in impeccable tailored suits; a dignified head of state in a shiny limousine; and a military leader in gold-braided uniform. Some regarded him as just another dictator who covered his repressive methods with a smoke screen of slogans and jailed all those who challenged his rule or political doctrine. His personality cult equaled that of the most prominent twentieth-century autocratic rulers, including Stalin and Mao Tse-tung.⁶

To his confidants, friends, and many close associates, he was known as "stari" - the "old man." Indeed, on May 25, 1977 (three years before his death), Joseph Broz Tito, the founder of modern Yugoslavia and its president for life, was 85 years old. It was also the 40th anniversary of his leadership of Yugoslavia's Communist Party, today the League of Communists of Yugoslavia (LCY). For the third time, the Order of the People's Hero was bestowed upon him "in recognition of his extraordinary merits and his visionary and creative contribution to the historic victories of the peoples and nationalities of Yugoslavia." Congratulatory messages poured

in from world leaders, Yugoslav socio-political organizations, and simple citizens. Still bright-eyed and alert, he toasted well wishers at his walled residence in Belgrade's Dedinje residential suburb and in the evening watched a massive display by gymnasts at the Yugoslav People's Army Stadium. Throughout the day, all Yugoslav radio stations transmitted accounts of the festivities, which ended with a display of fireworks. From countless loudspeakers throughout the multinational country came the chanted roar: "Tito is ours; we are Tito's!"⁷

The watchword on that day, as on any other day in postwar Yugoslavia, was "Zivio Tito " - "Long Live Tito " Tito lived for three more years.

No one denies that Tito was the sole founder of the Yugoslav brand of Communism which is described in the West as "Titoism." The system had no personal symbol other than Tito. Without this symbol Titoism may easily give way to instability, once again turning Yugoslavia into a vulnerable Balkan country, prone to internal splits and foreign subversion. During Tito's life, Titoism was an evolving system. It meant to hold the Yugoslav federation together, but it never achieved its goal. Yugoslavia has never been a "melting pot," but merely a grouping of nationalities with their divergencies, animosities, and quarrels.⁸

Titoism has many aspects: a workers' self management (where local rule is given to state run industries), a half totalitarian democracy, a daring foreign policy of nonalignment, a combination of Marxist slogans and Western market economy, a standard of living higher than in other Communist countries but lower than in the West; a policy of "free frontiers," and a good deal of personal freedom with repression of anybody who challenges the system. For years the system has vacillated, grouping

for a formula to combine Western efficiency with Marxist philosophy and to reconcile the feuding national groups which form the Yugoslav state. Since Tito's death, Yugoslavia has been half in the East and half in the West, with internal forces pulling the country in many directions.⁹

The country Tito left behind is a far cry from the wreck which emerged in the aftermath of World War II. The Yugoslav state now has an area of 99,000 square miles (about two-thirds the size of California) and a population of 22.4 million (1981). Its literacy rate is 85 percent, and its estimated percapita income, \$2,300 (1981). The gross national product is \$51.5 billion (1981), and the average annual per capita growth rate, 2.2 percent (1981-82).¹⁰ Macadam highways and railway lines now cut through mountain passes where Tito's rugged partisans fought and died. The scenic mountains are spanned by high-tension wires feeding power to industrial complexes which rise even in such distant and poor areas as Macedonia and Kosovo. The breathtaking Dalmatian coast offers a vista of modern hotel complexes, harbors crowded with pleasure boats, and the sturdy, cypress-shaded villas of the technocrat "new class." In Skopje, massive skyscrapers have risen from the ruins of a devastating earthquake. At the immaculate Zagreb airport, Mercedes taxis await foreign visitors. Satellite cities have mushroomed outside Belgrade, Zagreb, Cjubljana, and other major centers.¹¹

Chapter 2: The Uniqueness of Yugoslavia

Because of Titoism, the analogies used in analyzing other Communist countries, seem inappropriate. The most common analogy is the one which comes from studies of the Soviet Union and which assumes that given the

high level of repression, visible conflicts are merely the tip of the iceberg, demonstrating far more deep-seated social and political conflicts. If one looks at Yugoslavia from that perspective, it would seem to be a nation on the edge of explosion. No matter the level of repression in Yugoslavia, it has been by far the most open and unique of the societies ruled by Communist party.¹²

Its uniqueness lies in its openness. It is open in many ways. It has a large economic emigration, much of it probably temporary, amounting to close to a million citizens. Anywhere between three and five million Yugoslavs have annually travelled abroad as tourists in recent years. Yugoslav intellectuals are far more outspoken than any in Eastern Europe. The public and press are outspoken in their criticisms of day-to-day realities. Workers strike with an almost West European frequency. And, finally, there have been more American social scientists and journalists visiting Yugoslavia than in any other East European country. This degree of openness can be confusing because on the outset it may seem to be a sign of weakness of the regime.¹³

Many scholars including myself tend to believe that this openness is a sign of the strength of the social and political system, and its ability to avoid having every localized and sectoral discontent develop into a regime challenge. Thus, strikes in Yugoslavia, unlike in Poland or other East European countries, become indispensable "safety valves," which funnel social and economic conflicts into areas where the regime has abandoned the claim to monopoly. In the same sense, the relaxed attitude of the regime toward travel and work abroad is a sign of self-confidence which contrasts starkly with the attitudes of the other East European countries. Economic

emigration abroad is seen as a temporary solution to the problems of the economy, and not as a massive exodus of the trained population indispensable to running an industrial society. The fact that the Yugoslavs do not need to build their own equivalent of the East German wall is testimony to the perception of the League of Communists that their system is stable, and that the Yugoslav population accepts the regime as essentially legitimate.¹⁴

There is also a stark difference between Yugoslav dissidents and that of other East European countries. In most cases, Yugoslavs tried for political reasons fall into three general categories. Conformists of various types range from those who have attempted to organize an illegal, underground, pro-Soviet Communist party to simple agents of the Warsaw Pact countries. National Separatists include persons who simply express or actively organize separatist sentiment as well as individuals in contact with emigre terrorist organizations. Finally, a very small number of political dissidents are connected with neither Cominformists nor Separatists but are closer to what is "normally" conceived of as a political dissident; the best known of these have been Djilas, Mihailov, and a few Christian socialists in Slovenia. It is indicative of the nature of the Yugoslav state that most of the persons in the third category have long been released from prison.¹⁵

The difference between Yugoslav and Soviet political prisoners is that in Yugoslavia, all have been accused of specific crimes and are tried publicly. They are defended by lawyers of their own choice, and the claim in each case is that they acted to challenge the legality of the system itself rather than to express views which were merely distasteful to the

establishment. The police force is also not seen in Yugoslavia as a hostile occupying force but, on the contrary, that it has sufficient public support to be able to carry out its legitimate tasks.¹⁶

Another uniqueness that puts Yugoslavia in a different ballgame is its system of economic self-management founded on a system of workers' councils that elects managers, controls the finances of the enterprise and has absolute control over promotion, hiring and firing. The system of self-management has changed drastically over the past two decades, moving away from the technocratic concept of enterprise autonomy toward a more de-centralized state granting more power to the blue-collar-dominated workers' councils.¹⁷ From the 1980 law on workers' councils to the laws on basic organizations of associated labor, the Yugoslav road to socialism has clearly been a departure from the Soviet system, allowing considerable freedom of expression and popular representation at the factory and commune level.¹⁸

PART II

Domestic Aspects

Chapter 3: Ethnic Conflicts

The history of Serbo-Croat relations within the Yugoslav state is hardly a tale of coexistence between ethno-linguistic kinsmen. The two peoples are virtually identical, except for religious affiliation (the Serbs being Orthodox and the Croats Roman Catholic), alphabet (the Serbs employ the Cyrillic script, while the Croats use the Latin alphabet), and minor variations of pronunciation; however, there is a long history of disharmony and strife between the two peoples - conflict which has not abated substantially under Yugoslav socialism.¹⁹

Late in 1978, Croatian discontent with what was felt to be a continuation of the Serb domination of Yugoslavia that started in 1918 boiled over. Tito responded to unrest in Croatia with a mass purge of officials of the Croatian Communist Party. Subsequently there were purges of Croat intellectuals and restrictions were placed upon Croatian cultural organizations and mass media. Purges on a smaller scale were directed at nationalist elements among the Communist elite of other socialist republics.²⁰

Causes of the strife in 1978 are numerous and rather difficult to pinpoint. Certainly, traditional hatreds have not disappeared; if anything, they seem to have taken on new dimensions since the death of Tito. According to recent Radio Free Europe Research reports (1983), Croats continue to accuse Serbs, collectively, of having Muskovite leanings; equally inaccurate Serbs claim that most Croats have never fully repudiated the Ustasha past and thus have "fascist" leanings. Furthermore, Serbs have been known to assert that Croats, as a group, would like to "sell out to the West."²¹

Specific claims made by Croats (and, to a lesser degree, by Slovenes) regarding Serb suppression of other nationalities refer to Serb domination of the army, increasing limitations placed on religious freedom of non-Orthodox denominations, particularly Catholics, and economic exploitation of the highly developed republics of Slovenia and Croatia.²²

Claims concerning restrictions upon the religious activities of Catholics and Moslems, particularly in the Kosovo, have been conceded by the central government to be essentially accurate. However, such interference is explained officially as constituting a reaction to the far higher levels of activism and of nationalist sentiment within Catholic and Moslem religious organizations than are apparent within Orthodox groups. While some restrictions have been placed also upon the Orthodox church, these are not associated with the nationality problem and thus constitute a somewhat less sensitive issue than does Belgrade's pressure on other religious groups. Nevertheless, if intensified, limitations upon Orthodox believers too could give rise to serious problems.²³

The central government views the Croats as a security risk. In keeping with generalized Serb suspicions regarding residual loyalties to the Ustashi among Croats, the central government is very much concerned about the influence of Croat emigre publications, which have violently condemned Serb domination of the Yugoslav state in general, as well as attacking specific Yugoslav policies. Particularly worrisome to Belgrade is the influence that these groups have attempted to gain with the 300,000 Croats of draft age who are working in western Europe. Also of concern, if true, are reports that the emigres have been working in cooperation with the Catholic church in Yugoslavia.²⁴

The economic issue, which has assumed a prominent role in conflicts between the Yugoslav nationalities, is not, strictly speaking, an ethnic question but rather a matter of relations between the socialist republics. Of course, ethnic and republican boundaries in Yugoslavia do not coincide in many instances. According to the 1981 census, more than 1 million of the 4.5 million Croats in Yugoslavia do not live in Croatia, while over 600,000 Serbs live in that republic. It is not clear whether a Croat living, for example, in Serbia, may not consider his economic welfare to be tied to that of the republic of his domicile rather than to the prosperity of Croatia. Similarly, Serbs residing in Croatia may identify very strongly with Serbia on cultural and political matters while regarding their economic fortunes as being inextricably intertwined with the welfare of Croatia.²⁵

One of the major complaints frequently lodged by representatives of Croatia and Slovenia is that they have been forced to bear the brunt of developing the less advanced republics (Macedonia, Bosnia-Herzegovina, and Montenegro), as well as the Kosovo region. Apparently this conflict has led to the growth of alliances between Serbia and the underdeveloped areas, on the one hand, and Croatia and Slovenia, on the other.²⁶

A second economic issue has been the alleged favoritism shown by the central government toward large Belgrade firms. Apparently this phenomenon is related to the bitter struggle that occurred in 1972 when the arch-conservative secret police chief, Aleksandr Rankovic, was ousted, since such enterprises are managed to a significant extent by former members of Rankovic's secret police force.²⁷

Another extremely sensitive issue in the economic realm has been the control of foreign currency balances, including the remittances of Yugoslav citizens working abroad temporarily. The Croatian and Slovenian parties have stated that they should be given greater control over these balances because, as the most developed republics, they have been major producers of the export goods netting profits from abroad.²⁸ The Croatian party claims that Croatia is particularly entitled to such benefits, since a disproportionately high percentage of the Yugoslav citizens working abroad are Croats.

A current explosive confrontation that the central government is dealing with exists in the Albanian problem. The Albanians who in Yugoslavia are considered a "nationality," even though they are the third largest ethnic group, behind the Croats and Serbs, and who live in a nationally homogeneous mass on Yugoslavia's border with Albania, have been demanding that the autonomous region of Kosovo, where they constitute four-fifths of the population, be given the status of Yugoslavia's seventh republic.²⁹

Several hundred thousand additional Albanians live in the neighboring Yugoslav republic of Macedonia, and a lesser number in Montenegro. To satisfy even temporarily Albanian national aspirations would require a major redrawing of Yugoslavia's internal borders, which is unacceptable to the Serbs and the Macedonians, thus making a compromise solution impossible, all the more so since the ultimate Albanian objective is to secede from Yugoslavia completely and join neighboring Albania.³⁰

In 1981-82 the Albanian problem has caused widespread rioting, hundreds - perhaps even thousands of deaths - and the arrest and harsh

imprisonment of thousands of Albanians. But the Albanian problem cannot but grow ever more explosive in Yugoslavia since they have the highest birth rate in Europe, and their number in Yugoslavia increases by a third every decade, while the Serbian population is growing barely at all because of the low birth rate.³¹

Chapter 4: Economic Conflicts

Communist Yugoslavia finds itself in greater economic difficulties than at any time since 1948. Yugoslavia's economy is out of control: inflation is rampant, unemployment is large and still growing, the foreign trade deficit is gaping and, worst of all, the enormous foreign debt can no longer be serviced. And to make things worse for the Yugoslav government, foreign creditors are far more reluctant than before to supply the new loans needed to keep Yugoslavia's economy afloat.

Numerous pessimistic accounts of the Yugoslav economy have appeared recently in the Western press, especially in the Wall Street Journal. Yugoslavia's economic problems have been compared with those of Poland and Rumania, which infuriates the Yugoslavs. They insist on being given special consideration, as has been the case in the past. The Western banking community, however, seems increasingly aware that the enormous past loans extended to Yugoslavia have not produced promised economic results. Therefore, Western bankers have become sceptical towards requests for further bailouts.³²

How could the Yugoslav economy have deteriorated to the present point? Numerous Western studies published over the past decade and more gave little indication of the gathering storm.³³ One cannot but conclude

that the Western studies on Yugoslavia's political system and economy failed to notice certain fundamental factors, which have been at work for a long time, and ignored persistent danger signals which could have been noticed by critical viewers of Yugoslavia.

Georgetown economics professor Cyril A. Zebot was among those who perceived the negative relationship between politics and economics in Yugoslavia. He recently wrote that "the underlying root cause [shaping the Yugoslav economy] is fundamentally political" and therefore off limits to the party-controlled domestic criticism. He continued, "This is an added reason why independent foreign scholars who analyze a politically manipulated economy such as Yugoslavia's should pay special attention."³⁴

Political meddling in Yugoslavia's "self-managed" economy is certainly one of the key factors that caused the crisis. The economic reforms of 1965, supplemented by the constitutional changes of 1971-74, provided "progressive expansion of market relations and self-managing economic integration."³⁵ But the mass party purges of the younger, more liberal and better educated leaders in 1971-72 reversed the process of liberalization and brought increased political interference into the economy. Thus, unlike the earlier Yugoslav centralism which persisted for two and a half decades, the new form of party-directed control over the economy became largely "compartmentalized within each of Yugoslavia's eight constituent units." Currently the earlier federally-managed economy has been replaced with that of the republics and/or autonomous provinces, and the proclaimed "self-management" reduced to mere rhetoric.³⁶

The economic consequences of such "federalism without liberalism" have been far reaching. This is most evident in the area of investments

where the government was most involved. In developed countries, investment decisions are mainly made on the basis of real savings and interest rates, and reflect the actual scarcity of capital. But in Yugoslavia most investments, particularly larger ones, are based on political considerations related to taxes and unemployment. This sort of political management has resulted in the construction of "white elephants and ubiquitous political factories," which at present add an extra burden to the ailing economy. To make matters worse, most Yugoslav investments have gone into processing industries (accounting for 70 percent of total Yugoslav output) and thus rendered Yugoslavia highly dependent on foreign trade.³⁷

The investment component of Yugoslavia's social product has been remarkably high (around 35 percent) for years and is likely to remain at that level as long as the government continues to administer the economy. "Clearly, government involvement prevents individual enterprises from making economic investments."³⁸

Such economic policies have had a negative effect on Yugoslavia's export trade. As indicated in Appendix 2 and 3, the cumulative effect on prolonged trade deficits became "unmanageable." For example, in 1978 Yugoslavia's trade deficit reached \$7.2 billion, whereas its exports fell to only 30 percent of its imports. Such huge trade deficits were mainly the result of low product quality, high production costs, high inflation (several times that of Yugoslavia's western trading partners) and a greatly overvalued currency.³⁹

Chronically high foreign deficits are no longer tolerable because Yugoslavia is no longer able to service its foreign debt. At the end of 1982, Yugoslavia's total hard currency debt may have reached \$24 billion

(see Appendix 4), but this is not a firm figure. Since the exact amount of Yugoslavia's total foreign debt is being prudently concealed by the country's leaders, the subject deserves special attention by Western analysts.⁴⁰

The main endeavor of the Yugoslav government over the past several years has been to seek more foreign loans from all possible sources. When, finally, sufficient credits could no longer be raised to satisfy Yugoslavia's need, Belgrade sought to obtain "political" credits. Yugoslavia argued that she should be given new credits to strengthen her position as a non-aligned country, outside the Soviet bloc. Unfortunately for the Yugoslavs, Western bankers are not primarily concerned about political objectives and are usually loath to give "political" loans to countries in trouble. This was shown recently when State Department officials sought to push American bankers into extending new credits to Yugoslavia on the grounds that Yugoslavia is "important" for America's strategic objectives.⁴¹

In the post-Tito era, strikes are becoming even more numerous. They have occurred at an annual rate of about 500, according to Yugoslav sources, and the media has been far more open in discussing the problem.⁴²

Another consequence of the Yugoslav economic system is that it "undermines work discipline and honesty." Corruption is widespread, particularly among managers and other officials of enterprises. Stane Dolanc, Yugoslavia's Interior Minister, has admitted that attacks on social property are of an organized nature, and "this is becoming a serious economic problem." In 1981, some 19,000 economic crimes were recorded, 70 percent more than 10 years earlier. Abuses and illegal appropriations

of property exist in all spheres of the economy, as well as in administrative and self-management structures.⁴³

Yugoslavia's inflation reflects excessive spending of unearned income. Professor Cyril A. Zebot believes that the major factors contributing to Yugoslavia's high inflation have been the high enterprise taxes and bailout subsidies, excessive and misdirected investment, and extravagant political costs. Persistent excessive and uncontrollable inflation presents a special problem for the government. Actual inflation peaked at 50 percent in 1981 and is currently hovering around 35 percent. Due to extensive food and other commodity shortages many of the items included in the consumer price index basket were not available in all cities. But the aggregate cost increase of the items available indicates a cost of living increase of 35 percent. Appendix 5 shows the disturbing disparity between the officially projected and the actual rate of inflation. Officials have persistently underestimated the cost of living increase for the following year. In 1981, the cost of living increase was 20 percentage points higher than had been officially projected.⁴⁴

The latest Yugoslav production reports also show negative industrial growth. In May 1982 total industrial output fell by 0.6 percent. This was the first time since the 1948 break with the Soviet Union, that Yugoslavia registered negative industrial growth. For the first seven months of 1982, output fell by 1.5 percent compared to the same period of the previous year. Milenko Bojanic, the Foreign Trade Minister, told the Twelfth Congress of the LCY in June 1982, that foreign currency for imports of raw materials, energy and machinery was desperately scarce, and there was \$1.7 billion less available for these imports this year compared with

1981 endangering the ability of Yugoslav industry to produce. As the London Economist's K.F. Cuiic noted, "in June, 1982, many Yugoslav factories were already sending their workers on compulsory leave. Many more were expected to do so by early autumn. Some works were likely to close down permanently because of the shortage of currency to pay for the necessary imports of raw materials and components."⁴⁵

PART III

International Implications

Chapter 5: Soviet-Yugoslav Relations

The key to Yugoslavia's future is likely to be the behavior of the Soviet Union now that Tito has exited from the scene. Yugoslavia and the Soviet Union achieved a degree of rapprochement during the 1960's that suffered traumatic interruption in 1968 as a result of the Soviet invasion of Czechoslovakia, the promulgation of the Brezhnev Doctrine, and the subsequent joint Yugoslav-Rumanian stand against Moscow. The rapprochement was resumed in the early 1970's and appeared even to be flourishing by 1973, although Belgrade continued to be haunted by the specter of 1968. An indication of the degree of cooperation reached in 1973 is the agreement between the two countries which provided for the Soviet shipment to Yugoslavia of moderate quantities of Mi-8 helicopters, Yak-40 airplanes, aviation fuel, roller bearings, and other goods of potential military value. However, since that time relations have deteriorated as a consequence of interrelated diplomatic and domestic considerations in both capitals.⁴⁶

On the diplomatic front, the Yugoslavs have infuriated Moscow by standing at the forefront of a coalition of southern European Communist parties, including the Rumanians and, to a lesser degree, the Italian and Spanish parties. This group has opposed attempts by the Soviet Union to use the proposed European Communist Conference to reestablish the CPSU (Communist Party of the Soviet Union) as the "world Communist center," thereby undermining the Yugoslav "separate road to socialism."⁴⁷ When the long-awaited meeting of Communist parties finally materialized in the summer of 1976, President Tito issued statements asserting "the principles

of independence, equality and noninterference as the basis of cooperation among Communist and workers' parties," voicing opposition to "all forms of interference in the internal affairs of other countries" and criticising the concept of "spheres of influence." This position which continues today took dead aim at the basic diplomatic goals and policies of the Soviet Union, and could not be very pleasing to the USSR. Moreover, the Yugoslavs have been unwilling to accept the USSR's attempts to utilize that meeting and similar conferences as a forum to condemn the Chinese for what Moscow views as their major transgressions.⁴⁸

The Soviet leaders must also be irritated by the Yugoslav policy of publishing works of Solzhenitsyn banned in the USSR, particularly since the men in Belgrade are the only ruling Communist leaders to do so. In general, the Yugoslavs probably have infuriated Moscow almost as much with their relative liberalism in publishing what the Soviet government considers to be "heretical" materials as by their State and foreign policy transgressions.⁴⁹

Admittedly, Yugoslav-Soviet relations currently are by no means at their lowest ebb. In spring 1981 the late prime minister Bijediz visited the Soviet Union in response to a visit Kosygin made to Belgrade in September 1979. This trip dealt mostly with economic matters and resulted in the extension of further Soviet credits to Yugoslavia. Moreover, there have been reports that the Soviet navy has been granted docking privileges in Yugoslavia, a development which seems to contradict the apparent deepening of the Soviet-Yugoslav riff indicated by the Cominformist trials of the late 1970's.⁵⁰

The improvement in relations with the Soviet Union after Tito's death has not had any special significance. The well-known ideological differences and their consequences have not been eased. Disagreements over the occupation of Afghanistan, Eurocommunism, the situation in Poland, and the bureaucratic manner of government in Eastern Europe have only served to heighten existing differences of opinion. Tito's successors, however, have avoided any serious conflict with Moscow but without showing any specific enthusiasm for deepening political cooperation. At the same time, there has been an improvement in economic relations between the two countries. The Soviet Union has even expressed a willingness to aid Yugoslavia, through closer cooperation, in overcoming its economic problems. To what extent Yugoslavia wants this help - bringing as it would a curtailment of Yugoslavia's western trade - remains questionable.⁵¹

In addition, there remains the fear of a re-emergence of Stalinism in Yugoslavia, as was evident in the repeated claims for the right to walk its independent path to socialism. In Yugoslav terms, Stalinism is not only the product of the man whose name it bears but also a consequence of the struggle over the true path to socialism. Events in Poland since the death of Tito have been lavishly cited as evidence for this.⁵²

Chapter 6: The non-alignment movement

Tito's attitude toward (and his use of) the nonaligned movement was from the movement's beginning in 1961 conditioned by three main factors: (1) by his struggle for Yugoslavia's independence against all attempts by the two major blocs (particularly by the Soviet Union) to join the country to one or the other of the military and economic alliances; (2) by his

desire to see all nonaligned countries accept socialism (if possible the Yugoslav variety) as the basis for their political and economic development; and (3) - as a logical consequence of the first two points - by his efforts to achieve the transition from a bipolar to a bloc-free world, free of all ideological, economic, and military antagonisms.⁵³

Although these three main points have remained theoretically valid thus far, their implementation is now changing to reflect Yugoslavia's day-to-day political needs and relations between the two military blocs. For instance, Tito was closer to the so-called capitalist bloc because of western support for his country's struggle for national independence. The idea that nonaligned states (most of them former Western colonies) should accept socialism as the basis for their general development, did, however - despite all the ideological quarrels between Belgrade and Moscow - bring him ideologically closer to the Soviet bloc. (At least this was so until Castro challenged Tito's leadership of the nonaligned movement.) In the long run this led Tito to accept, as a concession to Moscow, that an aligned state like Cuba be declared not only a nonaligned country but even the nominal leader of the nonaligned world, at least until 1982 (the sixth nonaligned summit in Havana, September 9, 1979).

A full-fledged anti-Cuban attack by Yugoslavia came, however, two weeks after the Havana summit ended. During the conference, Cuban media strongly criticized Yugoslavia's attitude concerning Cambodian representation. The Yugoslavs waited for the results of the September 22 U.N. General Assembly's vote on Cambodian representation before belatedly voicing their anger against Havana's anti-Yugoslav activities. One day after the General Assembly decided in favor of the anti-Vietnamese, anti-Soviet

Pol Pot regime, Belgrade approved a counterattack by Tanjug on Prensa Latina, Cuba's official news agency. That same day, in a speech in the Serbian town of Titovo Uzice, Tito warned "some people who cannot conceive that the nonaligned movement is no one's mouthpiece."⁵⁴

Thus far, the Yugoslav approach to nonalignment has been rather confused. On the one hand, Yugoslav Communists have considered the movement a powerful group whose member-countries are striving to achieve socialist goals, which means the nonaligned countries have been Yugoslavia's "natural allies" along the road to socialism. But on the other hand, as Stanislav Stojanovic claimed, the Yugoslavs have also raised their voice against "any uniform model of socialism." For them this is "one of the main differences between the nonaligned movement and the military-political and ideological blocs."⁵⁵

This claim does not sound quite plausible. The idea of a uniform model of socialism has been a point of conflict between Belgrade and Moscow rather than between the Yugoslavs and the Americans. Here one can clearly note a serious dilemma confronting the Yugoslavs. In striving to make the nonaligned movement a powerful group guaranteeing Yugoslavia's independence and sovereignty, they have had to insist on the socialist content of nonaligned ideas. Should they insist too much on socialism, they would promote the interests of the Soviet Union, the strongest and most important socialist country in the world. Here one must recall Brezhnev's 1971 statement in Belgrade that for the Soviet Union and Yugoslavia "it is a matter of primary interest that our two countries belong to the same socioeconomic grouping," this being "in the long run the important thing." Tito and his colleagues vehemently rejected this idea,

fearing that Yugoslav acceptance of this formulation was "tantamount to tacit approval of a possible Soviet intervention in Yugoslavia after Tito's death."⁵⁶

Since Tito's death, the nonaligned movement has remained divided. Differences in theoretical and practical conceptions, and animosities between poor and rich countries have grown even greater. In March 1983 Yugoslavia took part in the seventh summit meeting of nonaligned countries in New Delhi, represented by the Serb Petar Stambolic, State President at the time, who tried to continue Tito's course. Because of the country's serious internal problems, Tito's successors can no longer play the role Yugoslavia played within the nonaligned movement while Tito was alive.⁵⁷

PART IV

Three Views

After examining the internal and external problems confronting Yugoslavia, the literature cites three major policy alternatives regarding its future direction. These are three paths in which scholars believe Yugoslavia is on under the current Collective Leadership.

Chapter 7: Continuation of Tito's policies

Yugoslavia's ideological goal is to secure the survival of Titoism. This aim implies continuation of the three pillars of the system: worker's self-management, political nonalignment, and the federal organization of the state, base on the equal partnership of its republics - the collective presidency.

Continuing Titoism is increasingly difficult. The Yugoslav economy and society is becoming complex, and the trend of world political development encourages increasing contacts and ties between Yugoslavia and Western Europe, above all the Mediterranean Countries. This is to say that the Yugoslav party is likely to be influenced by the views of the Spanish and Italian communists. Such controls are a two-way street, but the development of a Eurocommunist dialogue represents a major break in the relative isolation of Yugoslavia from other advanced industrial countries. Therefore, in all probability, the present Yugoslav foreign policy emphasis on the non-aligned movement will become less urgent, while attempts to relate to advanced workers' movements of the West "will become a high priority."⁵⁸

A more salient point, perhaps, is that while there have been extensive discussions in the Yugoslav leadership about the structural mechanisms in the post-Tito era, the legal and constitutional mechanisms having been in place for sometime, considerable changes in the republic have followed

since the succession. These are due in part to generational reasons, since the partisan generation is in the process of retiring from the political scene and is being replaced by a much younger, republic-based leadership which has matured politically in the period after the break with the Cominform and the development of self-management. Whatever else is true of the new leadership, it has fewer personal sentimental and historical links with the Soviet Union, and has developed to political maturity within the framework of continual Yugoslav-Soviet ideological clashes.⁵⁹

Chapter 8: "Rumanian Alternative"

The "Rumanian Alternative" involves a greater degree of centralization and firm hand, named after the policies Rumania adopted to tighten up the reins. This view seems less likely to explain Yugoslavia's direction if for no other reason than that it seems to have a very limited popular base. It probably would have some support in the less developed regions, which could hope that in a more centralized economy and society the gap between the developed and underdeveloped would be more likely to close. A more centralized alternative would also elicit sympathy in sections of the military and the security apparatus.⁶⁰

Two critically important strata in Yugoslav society would oppose such an alternative. The blue collar workers, especially the skilled ones, who enjoy genuine power within the self-managing structure of the economy, are determined not to yield it to a more centralized planned economy without considerable resistance. The new middle class, massive, self-confident and relatively secure, opposes any development which it might perceive as a major step backwards.⁶¹

Chapter 9: Pluralist Position

Bogdan Denitch, Mihajlo Mihajlov and other scholars agree that the third view seems to offer the best explanation for understanding Yugoslavia's direction. Post-Tito Yugoslavia has not been a simple continuation of Titoism, rather there has developed a greater degree of pluralism. The main spokesman of this view in the League of Communists has in recent years been Edward Kardelj, who is for practical purposes the number two man in the party. His latest work was the centerpiece of the debates at the last party congress. In it Kardelj attempts to define a socialist pluralist model. Kardelj does not think in terms of a multiplicity of parties competing for general electoral support, but rather he sees interest groups most often based on sectors of the economy, competing for alternate social policies within the enterprises, the communes, the republics and on the federal level. Whatever else this vision is, it is not the vision of a monolithic party-dominated state.⁶²

Part V of this paper will be devoted to current data on several variables. Such data will support the view that best assesses Yugoslavia's direction.

PART V

Variables

Chapter 10: Political Prisoners/Dissident activity

Yugoslavia continues its gradual progress toward a more open and pluralistic society, although Amnesty International reports more political trials than previously. Socialist self-management in large measure allows workers to run their own enterprises. It also allows a small amount of private enterprise. There has been some significant change in the human rights situation since the death of Tito. The media has become more open, public criticism of the leadership and official policies surfaces with more frequency, and there is greater decentralization of political decision-making.⁶³

Restrictions on freedom of political expression remain but appear to be somewhat less rigidly enforced. Public criticism of former President Tito remains unacceptable to the authorities, but such criticism occasionally occurs, albeit in guarded fashion. While not a topic of open criticism, even the principles of socialist self-management are now subject to some cautious but critical discussion. The government, however, does not tolerate public criticism of the "brotherhood and the unity" of Yugoslavia's diverse peoples or of efforts to arouse nationalist feelings among them, and reacts severely to expressions of nationalism.⁶⁴

Amnesty International's reporting of an increased number of political trials in 1982 reflects the aftermath of the recent flare-up of the Kosovo issue. Elsewhere in Yugoslavia though, there have been fewer political prisoners than previously. Public discussion of instances of police abuses has increased, and the question of the observation of individual human rights seems to be gaining more attention from government officials. In

April 1982, for example, the Federal Chamber of the Yugoslav Parliament ordered the Central government to submit proposals and initiatives for eliminating shortcomings in the protection of human rights. In October 1982, the Federal Chamber appointed a five-man committee to oversee the Yugoslav police, particularly with regard to their respect for the constitutional rights of Yugoslav citizens.⁶⁵

According to Yugoslav Government statistics, from 1972 until 1981 there was a decline in the number of persons indicted "for criminal activities with political implications, anti-self-management offenses and abuses of public and private property." In July 1982 the federal public prosecutor reported, however, that the number indicted for those offenses had increased from 555 in calendar year 1980 to 594 in 1981. He attributed the increase to the unrest in the Kosovo, which began in March of that year. According to official statistics, 62 percent of all these 1981 "political crimes" were committed in the Kosovo, and 300 of the 386 persons charged with "counter-revolutionary activity" were from the Kosovo.⁶⁶

The federal prosecutor also noted that, over the three-year period 1979-82, 33 percent of the sentences for political crimes were probationary, and 52 percent involved terms up to one year.⁶⁷

Chapter 11: Social and political shifts

A major component of current social shifts is the increasing unprecedented criticism of public policy. For example, two weeks after the celebration of Tito's birthday held May 25, 1983, unprecedented criticism of the way in which Tito's memory is honored have been voiced both by members of the public and in official quarters in Yugoslavia. A group of

71 Belgrade intellectuals, including noted authors and scientists, have asked in a petition that the whole ceremonial celebration of Tito's birthday be discontinued, since it expresses "cultural primitivism and a spirit of slavish subordination, characteristic of old times." The next day an official body, the Socialist Alliance Committee for Commemorating Tito's Name and Work, expressed its dissatisfaction almost unanimously with the way in which Tito's birthday had been celebrated this year. "It is intolerable that, under the pretext of praising Tito, a personality cult, religion, and mysticism have been allowed to develop," Mrs. Stana Tomasevic, a senior state official, told the members of the committee.⁶⁸

It was the final stage of the celebrations in the army stadium in Belgrade that disgusted tens of thousands of spectators, and perhaps millions of Yugoslavs who were watching the event on television. While formations of 7,000 young men and women were spelling out phrases such as "Tito," "Red Star," "Never 1948," on the eastern side of the stadium a nine-meter-high figure of Tito appeared, made of white aluminum and standing in the middle of clouds of mist, under changing lighting effects. The very first impression as Stana Tomasevic sarcastically put it, was that "the Holy Spirit had descended among us in the stadium."⁶⁹

The unusual coverage given in the Yugoslav media to the discussion about Tito's personality cult is a sign that for the first time the Yugoslav leadership is trying to reduce Tito's person and his historical role to normal, more human proportions. By putting his person into perspective, his ideas will also be put into perspective, perhaps opening broader avenues for reform and eventual change in the system.⁷⁰

Another example of this growing criticism came about when some 250 Yugoslav sociologists gathered from November 9 to 12, 1983, in the Slovenian tourist resort of Portoroz to discuss the country's critical economic and political situation. Interest in this year's meeting was unusually keen, because it was the first time in 11 years that it had been possible to organize such a gathering.

Under the theme of "The Integrating and Disintegrating Processes in Yugoslav Society" the conference proposed that the democratization of political and social life was an absolute prerequisite for any solid and long-term solution to the present political and economic crisis.⁷¹

Further examples of this unprecedented opening of dialogue came after changes were announced in the Yugoslav economic and political systems July 1983, which provoked a lively discussion in the country. It had been publicly admitted for the first time that Yugoslavia was passing "through a serious crisis," and that "everyone must be told the complete truth" regarding this crisis. It was hinted that everyone, regardless of how senior their position, would be held responsible for their past errors. An important element to these reforms was also to cease the Communist practice of glossing over the situation even in cases when the country has reached the brink of catastrophe.⁷²

The fierce discussion about the need for a thorough reform of Yugoslavia's political and social system has intensified to leading party officials. Yugoslav party leader Mijalko Todorovic recently suggested the urgent democratization of political life in Yugoslavia as the only way to solving the country's economic and political crisis. He suggested that the Socialist Alliance, a kind of Yugoslav "people's front," be made a

truly democratic mass movement. He further stated that unions should become genuine workers' organizations, since only with democratic unions could workers fight for their interests.⁷³

In addition to the radical changes in the economic system and alterations that are to follow in the political system, plans are also being made to revise the country's electoral system. The critics of the present electoral system have publicly deplored the fact that only "reliable" people were permitted to run for delegates during the May 1982 elections. In some cases they were even called "our people" with no explanation of whose people the others were. In discussing this, theorist Jovan Radovanovic said that many of these "reliable persons" had proved "unreliable and irresponsible" within a year after they had been elected. For this reason he advocated the idea of "several candidates" for each seat, as "one of the bases of the democratic system." It is Mr. Radovanovic's view that will be put into effect.⁷⁴

One of the latest in a recent barrage of newspaper and magazine stories that question the quality of party leadership is a study conducted by the Yugoslav magazine Nin (1983) which concluded that more than half the Communist Party members in independent Communist Yugoslavia are afraid to say publicly what they think "because of the consequences," and almost half the members feel that Communists are conformists and opportunists.

Criticism has also appeared in Yugoslavia's press concerning the question of how healthy the party actually is. The party has 2.1 million members, but lately there have been reports of members turning in their cards. "It's just not fashionable to be a party member any more," one observer said. The Nin article cited opinion studies by Profesor Ivan Siber

of the political science faculty at the University of Zagreb. Siber questioned party members in 1976 and again in 1982 on whether they would state freely what they think about the Yugoslav situation and why people become party members. He found in 1976 that only every fifth member of the party would openly state his views, but that today only one in every nine would do so. Professor Srdjan Vrcan of Split, cited in another opinion study found that only 19 percent of those polled described fellow party members in positive terms.⁷⁵

Chapter 12: Ethnic Complexity issue

The conflict between rival ethnic groups has never been higher due to rising ethnic nationalism. Slovenia, a small ethnic group which has never been known for its national assertiveness, is the latest republic to unleash nationalist currents to which the Yugoslav press and politicians have directed an increasing amount of attention. Judging by articles in the Yugoslav press over the past six months (August 1983), a defensive position has emerged among the Slovenes with regard to the influx of workers from other parts of Yugoslavia. The issue of mounting Slovenian nationalism seems to have been taken up at high political levels. According to an interview with Jake Koprive, a member of the Presidium of the Central Committee of the Slovenian LCY, the Slovenians' perception that their republic is a model that is "saving Yugoslavia and pulling it along" is very dangerous. While an offensive Slovenian national movement has not visibly emerged, certainly the factors that have precipitated the emergence of a hardened Slovenian national position still pertains. In any event, such a situation does not mix well for the present or future of an

increasingly troubled Yugoslavia.⁷⁶

Chapter 13: Economic restructuring/Foreign debt

An 18-hour session of the Yugoslav National Assembly (July 2, 1983) adopted a package of laws regulating the way in which foreign debts are to be repaid and new foreign loans applied for. The major speech was delivered by Yugoslav Prime Minister Milka Planinc, who presented a bleak picture of the country's economic situation and called for radical changes in the economic system. In order to avoid the rescheduling of foreign debts, owed chiefly to the west and amounting to about \$20,000 million, Mrs. Planinc suggested that the "harsh and difficult conditions" set by western banks and governments be accepted. The second alternative was for the country to declare bankruptcy. She warned certain unnamed people in Yugoslavia to grasp the fact finally that the current situation was very serious and that sacrifices would have to be made by every citizen of Yugoslavia.⁷⁷

Another example of Yugoslavia's economic restructuring occurred on July 26, 1983 when the Yugoslav government rescinded the price freeze introduced on July 31, 1982. Although the price freeze kept inflation down to about 35 percent by the end of 1982, it strongly affected market supply. The government was aware that keeping prices at that level would have threatened the already shaky Yugoslav market on which a number of necessities, including flour, cooking oil, sugar, meat, detergents, and medicines, had been in short supply. The Yugoslav government by lifting price controls is moving toward the introduction of a limited market-price mechanism.⁷⁸

Following the instructions of this new program for economic stabilization, private enterprises in Yugoslavia as of September 1983 are going to be supported by the Yugoslav central government. They should give employment to several hundred thousand of Yugoslavia's one million unemployed workers. Several top Yugoslav party and state leaders warned that party officials at the lower level should no longer be afraid of private enterprises. Croatia's top party leader, Jure Bilic, sees one of the solutions to the current crisis is helping private entrepreneurs to use their own capital: "Give people the opportunity to work with their own capital." The major obstacle to the operation and further development of private enterprises has been of an ideological nature. The ninth plenum of the LCY Central Committee also encouraged those Yugoslav citizens working in western countries to invest their money in various private enterprises.⁷⁹

CONCLUSION:

Four years after Tito's death in May 1980, Yugoslavia is undergoing radical changes. The country's economic, ethnic, and sociopolitical troubles have deepened since his era, a period marked by a strong personal attachment to the Yugoslav leader. Last July (1983) the government announced extensive economic and political policy reforms. These far-reaching changes - the result of developments in a hierachial, one-party state forced to operate without its leading figure - might well shift Yugoslavia's existing power relationships.

The data from the variables support the pluralist view of Yugoslavia's direction. Yugoslavia's greatest challenge in 1983 was, and will continue to be, "de-Titoization." In the process, great importance has been attached to reconciling the party's claim of total authority with workers' self-management, a conflict that never surfaced under Tito. His unquestioned authority simply plowed over the difference between government concepts about self-management and "genuine self-management." Yugoslavia's post-Tito "collective leadership" leaders lack this authority. The gap between individual and collective interests, between the party and society, has aggravated Yugoslavia's situation even further since Tito has been out of the picture.⁸⁰

What have Tito's successors done or not done to prevent complete chaos? First, they have not initiated a "back to Marx" movement, despite those who insist that only a return to the "real Marx" could save the country from the impending catastrophe. Instead, the leaders have tried to follow Tito's path toward a characteristically Yugoslav balance between

Marxism and capitalism.

What will the future bring? A reorganization of the leadership structure bequeathed by Tito certainly lies ahead. Solving the current economic crisis, however, will become increasingly difficult, because views about its causes remain widely divergent. It is to be expected that deviationists on the Left and Right will be eliminated by the "proven" method: a new party purge. Self-management appears to be beyond attack, although its operation remains contested. Should Yugoslavia's political leadership prove unable to solve the country's weighty problems, there is a chance that a decisive role could fall on the military, as it did in Poland.

APPENDIX 1

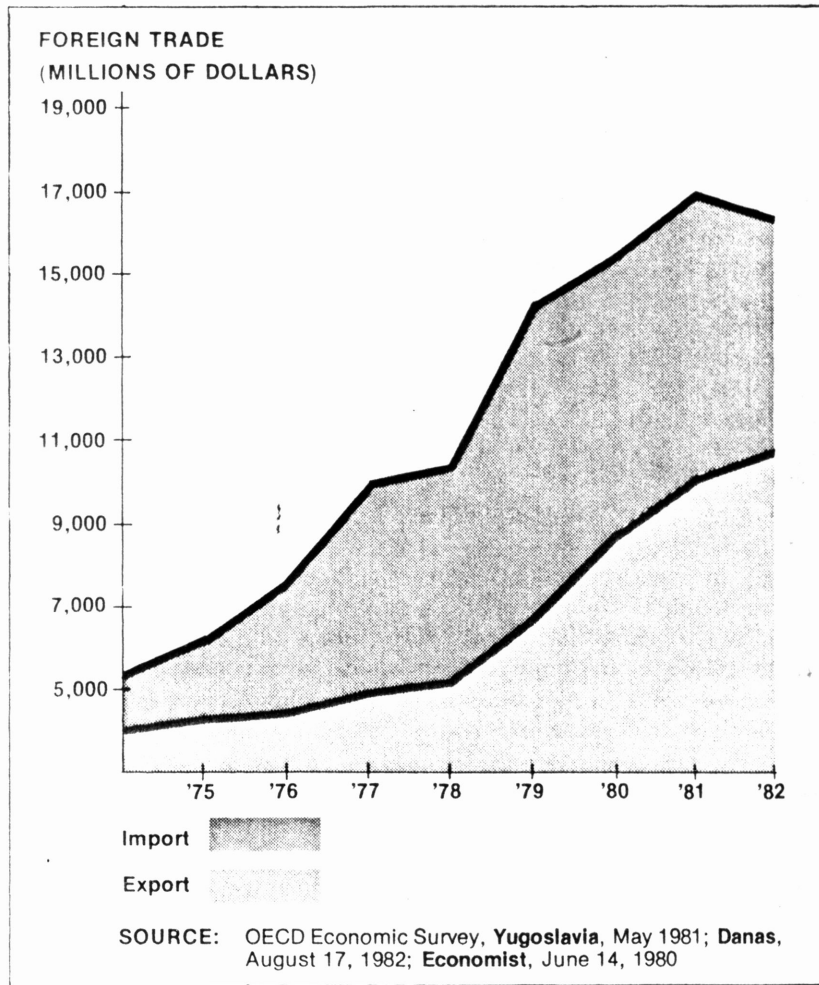
MAP OF YUGOSLAVIA: "A PATCHWORK NATION"



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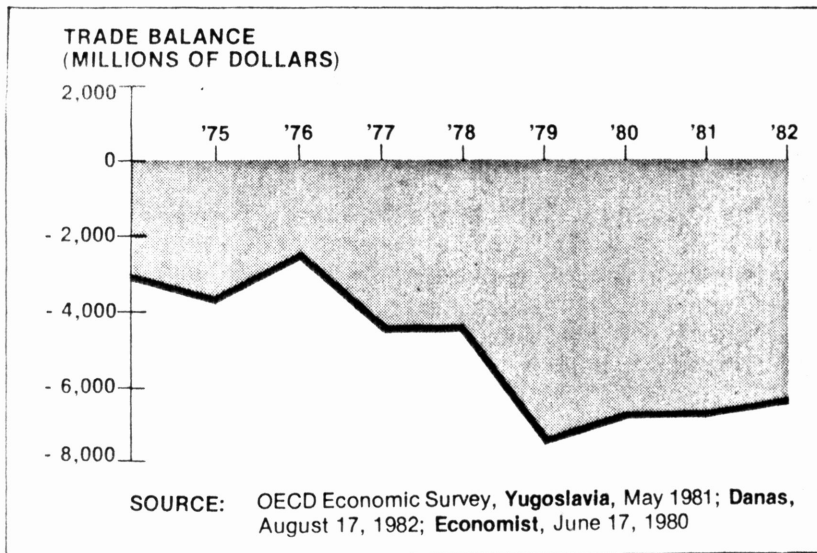
APPENDIX 2

YUGOSLAVIA'S FOREIGN TRADE 1975-82



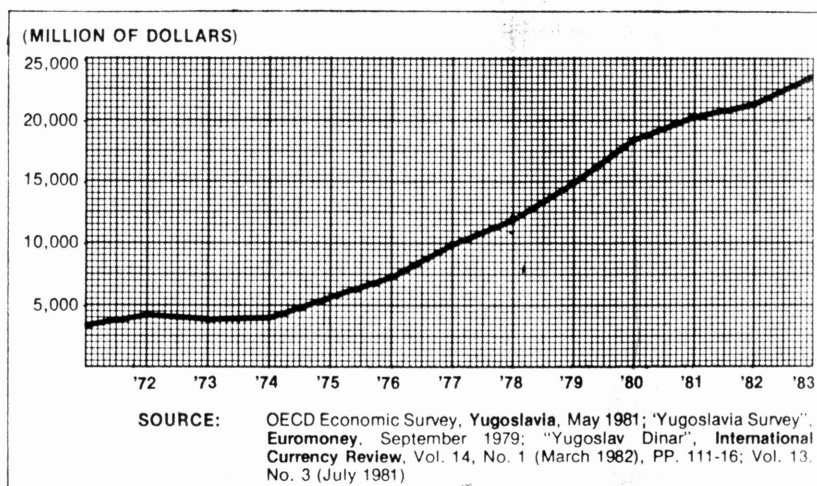
APPENDIX 3

TRADE DEFICIT IN YUGOSLAV FOREIGN TRADE 1975-82



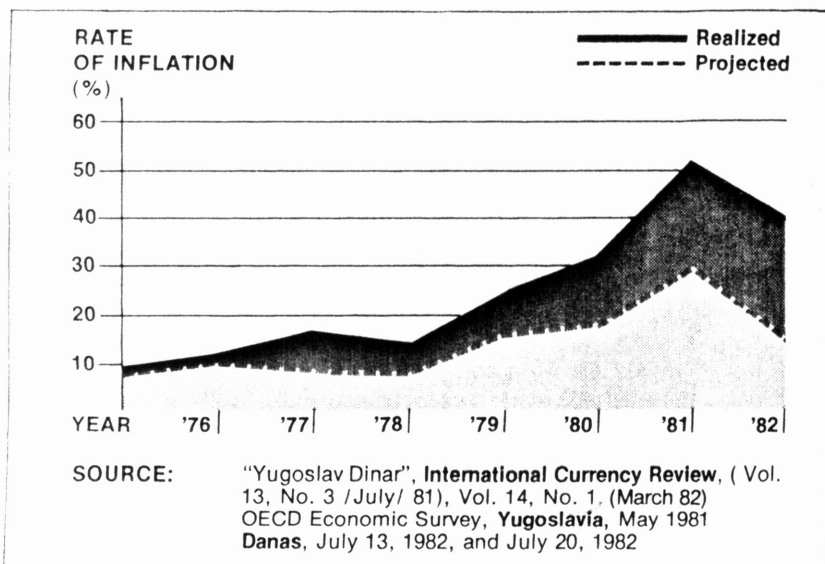
APPENDIX 4

YUGOSLAVIA'S FOREIGN DEBT



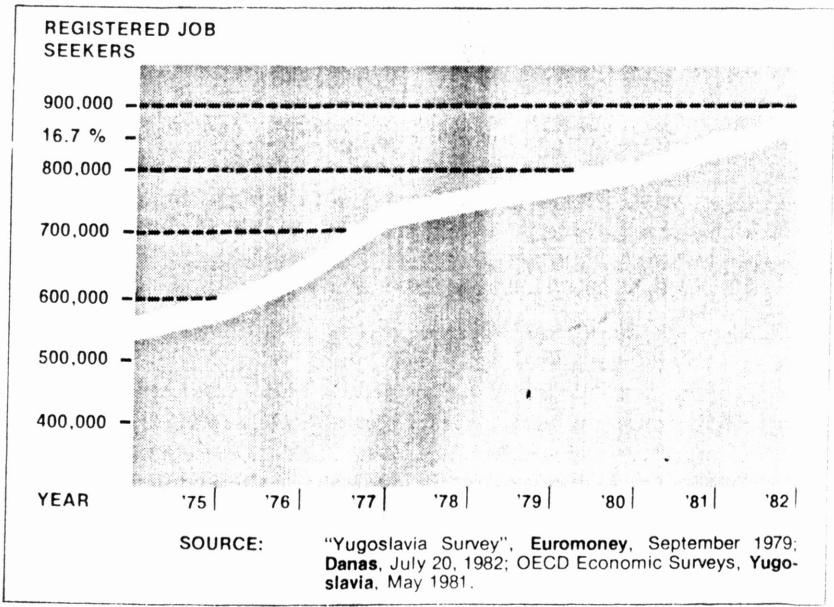
APPENDIX 5

YUGOSLAV INFLATION RATE 1976-82



APPENDIX 6

UNEMPLOYMENT IN YUGOSLAVIA 1975-82



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