

**THE
YUGOSLAV
EXPERIMENT
1948-1974**

DENNISON RUSINOW

THE
YUGOSLAV
EXPERIMENT
1948 – 1974

BY
DENNISON RUSINOW

*Published for
the Royal Institute of International Affairs, London,
by the*

UNIVERSITY OF CALIFORNIA PRESS
BERKELEY AND LOS ANGELES

UNIVERSITY OF CALIFORNIA PRESS
Berkeley and Los Angeles

ISBN: 0-520-03730-8

Library of Congress Catalog Card Number: 76-20032

Copyright © 1977 by Royal Institute of International
Affairs, London

First Paperback Printing 1978

Printed in the United States of America

1 2 3 4 5 6 7 8 9

PREFACE

For more than three decades Yugoslavia has attracted and sustained a level of international interest disproportionate to the size and economic and military importance of a backwater Balkan State with a population of 20 million. Initially inspired by the romantic and dramatic Yugoslav resistance to Axis occupation during World War II, this interest has since 1948 been focused on a remarkable and still unfinished voyage of exploration, otherwise known as 'the Yugoslav road to socialism', which is the subject of this book. The proclaimed destination may not exist on any of the headings which have been tried; the vessel or its navigators may ultimately prove inadequate to the enterprise; or the landfall, if one is ever made, may prove to be only a small, rather ordinary and sadly familiar island still half a world away from the shores of Communist Cathay. The story of the great adventure nevertheless remains worthy of the attention it has received, both for its intrinsic drama and for its wider significance.

In 1948 Yugoslavia became the first Communist-ruled State to defy Soviet domination. It then became the first and for many years the only such State to deviate from the Soviet model in order to experiment with market mechanisms inserted into and gradually replacing a command economy and with decentralised decision-making, wider personal freedom, novel forms of political participation, and open frontiers and 'integration into the world division of labour'. In the process the Yugoslavs boldly and imaginatively confronted, if they seldom solved, a series of central dilemmas of our times. These have included the problem of achieving rapid economic and social modernisation without institutional or social breakdown; the relations between freedom and development and between national and individual liberty; the nature and limits of independence and influence for small States in the contemporary world; and the capacity of a revolution from above to create and then to acknowledge the existence of social and economic preconditions and popular acceptance of values appropriate to self-sustaining further modernisation based on broad popular participation in the making of rational and effective public choices. Meanwhile, the experiment was at times facilitated and at times frustrated or distorted by Europe's most acute case of multinationalism, making the Yugoslav story again of wider significance in a world ubiquitously

perplexed by the problem fashionably known as 'community-building' and by the conflict between ethnic diversity and the ideology of the nation-State.

As this odyssey enters its fourth decade, with Yugoslavia now armed with a new Constitution and a political redefinition which clearly mark the opening of a fresh chapter, with or without a leader whose longevity has already defied normal expectations, it seems an appropriate moment to attempt a preliminary and tentative analysis of the meaning of the first thirty years. This is cast in the form of a political history, laying emphasis on the dynamics of the complex, two-way relationship between a specific style of deliberately engineered social and economic modernisation and the engineers and engines of the process.

The focus and the largest portion of the text concern the years since 1961 and, to a lesser extent, the period from 1949 to 1953. There are two reasons. First, these two periods are the ones in which the vital political and ideological struggles, which were to transform the regime and Yugoslav society, took place. The rest of the history of postwar Yugoslavia is in this sense prelude, interlude and epilogue. Although they are also undoubtedly important and deserve more detailed analysis, reasons of space and the author's personal preferences provide a good excuse for calling them relatively less significant and passing them by with brief summaries. Secondly, since it was during the later of these two periods that I was resident in Yugoslavia and a close observer of the Yugoslav scene, from 1963 to 1973, I have more to say about these years, at least pending an opening of archives which will permit a scholarly revision of present perceptions (and existing studies) of preceding phases.

Contemplating the decade of residence, observation and study on which this book is based, I am humbly aware that it and I owe an enormous debt to numerous Yugoslavs who generously offered me their knowledge, their insights and often their friendships, and without whom it would contain far more errors of fact and faulty judgments than it does. To name even the chief of them would be impossible without either excessive length or invidious selection. I must trust that both those who saw me officially more often and lengthily than official duty required and those who shared with me their professional and personal lives and intimate thoughts and hopes will understand that my tribute is nameless also because the list would do me far more honour than it would do them, and would occasionally be indiscreet. They include our own *kumovi*, many other friends and acquaintances in high and low places in academic, journalistic, political and professional circles in Belgrade, Zagreb, Ljubljana and Rijeka, and those numerous villagers of Croatia,

Serbia, the Vojvodina, Dalmatia and Montenegro with whom we have had the privilege of frequently sharing bread and *rakija* in their homes and ours.

Among other foreign observers to whom I owe debts of almost equal magnitude, special mention must be made of Sir William Deakin, who first inspired and has continued to encourage my interest, of those perceptive Balkan journalists David Binder and Paul Lendvai, and of the remarkable group of scholar-diplomats who staffed the British and American embassies in the days of Ambassadors Sir Terence Garvey and Burke Elbrick. For the text itself, I owe many thanks to Mary Rusinow, Dines Bjørner and Karen Rautenstrauch, without whom it would never have been ready, to Lloyd Hickman for the map, and to Hermia Oliver of Chatham House, whose patience and tolerance are exceeded only by her editorial acuteness.

I am also immensely indebted to my colleagues, the American Universities Field Staff, who made this book possible by according me the privilege of serving as AUFS Associate for Southeastern Europe since 1963, by permitting me to make extensive use of my *Fieldstaff Reports* from Yugoslavia, and by tolerating the time I have stolen in writing it. Among these colleagues I owe a special debt to E. A. Bayne, Director of the AUFS Center for Mediterranean Studies in Rome, for his useful and encouraging comments on the manuscript. And to an unpaid AUFS colleague, my wife, who understands Yugoslavia better than I ever shall and whose understanding so pervades and illuminates these pages that she really is the author of the best that is in them.

April 1975

D. R.

PRINCIPAL ABBREVIATIONS*

CPY	Communist Party of Yugoslavia (to 1952)
FEC	Federal Executive Council (the Yugoslav cabinet after 1953)
GIF	General Investment Fund (the principal source of investment credits, 1954-64)
LCY	League of Communists of Yugoslavia (after 1952, but still commonly and in this text called 'the Party')
OZNa	<i>Odeljenje za zaštitu naroda</i> (Department for the Protection of the People), name for internal security or 'political' police until superseded by UDBa (q.v.)
SAWPY	Socialist Alliance of the Working People of Yugoslavia
UDBa	<i>Uprava državne bezbednosti</i> (State Security Administration).

* Excluding internationally recognised abbreviations and those confined to specific chapters, where they are spelled out at the first occurrence.

FOREWORD

Yugoslavia was born of an idea, a century-old aspiration which held that the South Slav peoples, the *Jugoslaveni*, should be united in one State. It was a vision of liberty and modernisation which sought to reconcile the prevailing ideology of the nineteenth century with the reality of the ethnic map of south-eastern Europe: positing national emancipation and the nation-State as prerequisites of individual freedom and social progress, an especially appealing idea for peoples living under oppressive alien regimes and in poverty, but perceiving the unity of diverse but related nationalities as the only viable answer to the problem of small nations living in an ethnic patchwork and in a place where great power imperialisms intersect. Among its symbols perhaps the most poignant and graphic is the fresco which one of its first and greatest Croatian protagonists, Bishop Josip-Jurai Strossmayer of Djakovo, ordered to be painted in the neo-Gothic cathedral which he built for his Slavonian see. There, on the wall of the south transept, the South Slav nations, represented by a Serb, a Croat, a Slovene, a Dalmatian and a Bulgarian, come to present their Epiphany gifts. These, the simple fruits of South Slav peasant agriculture, are regionally diverse in kind but together offer the Christ child all that he might need. The site is also symbolic of the vision's rationale, for Slavonia is an historically Croatian land peopled in modern times by a mixture of Croat and Serb peasants who had already spent up to 700 years under alien rule, alternately Magyar and Ottoman, when Strossmayer built his church.

The State created in 1918 through the amalgamation of the previously independent kingdoms of Serbia and Montenegro with sizeable fragments of the former Habsburg, Ottoman and Venetian empires was ostensibly the nearly complete fulfilment of this dream. Only the Bulgarians, with a State of their own, and a few compact or scattered minorities of other South Slavs in five other neighbouring States were left outside its frontiers. Its history, however, was in essence to be a history of conflict between the Yugoslav idea and the stubborn fact that the South Slav peoples, never before joined politically, had little in common except the aspiration for unity and the similarities of language, of myths of historical origin and of centuries of alien rule on which that aspiration was based. Everything else that has happened to the Yugoslavs, in the sixty years since World War I began on Yugoslav

soil and as an immediate consequence of an incident in the struggle to realise the Yugoslav idea, happened in the context of the manifold political, economic, cultural and psychological dimensions of this historic problem.

It was not just that the Yugoslav peoples had lived under various, usually foreign masters before 1918, as had the Italians before 1860, or the Poles after the partitions of the eighteenth century. The Yugoslavs had lived in effect on two different continents, for the Habsburg Empire was a European power and a distinguished centre of European culture, while the Ottoman Empire was an Asiatic despotism with an entirely different heritage. If Asia did not quite begin on the Landstrasse Hauptstrasse at the eastern gates of Vienna, as Metternich is supposed to have said that it did, it certainly began as late as the mid-nineteenth century along the line of the Sava and Danube rivers. Beyond that line, already in Maria Theresa's day the world's first and here literal 'cordon sanitaire', with a strictly enforced quarantine to protect Europe against Asian plagues, lay Turkey and the Balkans, names which were once household words for obscurantism, corruption, anarchy and violence.

The geography of the region, externally accessible in almost all directions but with internal movement from one part to another seriously impeded by some of Europe's most difficult terrain, has been more conducive to invasion than to commerce or internal cohesion. This is one reason why the inhabitants have often excelled as warriors but seldom as merchants, and for the stubborn persistence of the extraordinarily complex ethnic patchwork created by successive invasions and migrations. Their lands have been a permanently disputed frontier zone: between the Eastern and Western Roman Empires, between Catholic and Orthodox Christianity, between Christian Europe and Islamic Asia, between a Germanic *Drang nach Südosten* and a Pan-Slav push towards warm seas, between Eastern Europe's Bolshevism and Western Europe's bourgeois democracy or fascism. As Tito himself once observed: 'Historians have recorded the disastrous fact that not one of fifty generations on our territory has been spared the devastation of war and heavy losses'.¹

Independent powers have existed in this situation only as buffer States between rival empires or upon the ruins at the edges of decaying ones. Thus one may explain the medieval Bulgarian and Serb empires, the early Croatian and later Bosnian kingdoms, the Republic of Ragusa (Dubrovnik), the nineteenth-century creation and expansion of Serbian and Montenegrin principalities, or in our own day the establishment of an independent and non-aligned socialist Yugoslavia.

More frequently, however, all or most of the Yugoslav peoples

have lived under foreign rule. The Slovenes, in the far north-west, never had an independent State but formed a part of a German empire from Charlemagne's day until 1918, under Habsburg rule from the thirteenth century to the twentieth. The Croats were joined with the Magyars from the year 1102 until 1918, first under Hungarian and then after 1526 under Habsburg kings—except that many of them also lived under Ottoman rule for nearly two centuries. The Dalmatian Croats passed from Hungarian to Venetian or Ottoman and then Habsburg hands. The rest—Serbians, Bosnians and Herzegovinians, Macedonians and the non-Slavic Albanians of 'Old Serbia' in Kosovo and Metohija—came under Turkish rule in the fourteenth or fifteenth centuries and remained there until their gradual and progressive transfer during the nineteenth, either into independent buffer States or (in the case of Bosnia and Herzegovina) into the Habsburg Empire. The last Yugoslav lands—Macedonia, Kosovo and the Sanjak of Novi Pazar—emerged from the Ottoman Empire in 1912-13, as a result of the First Balkan War. Only diminutive Montenegro and Ragusa preserved a tenuous independence during most of this period, the former because its terrain was effectively unconquerable and the latter by means of skillful diplomacy and a formal acknowledgement of Turkish suzerainty; but even the Ragusan Republic vanished from the map, at Napoleon's insistence, a few years before the rebirth of Serbia.

These various experiences made a deep impact on the culture and ethos of the South Slavs. Those who were longest under Byzantine and Turkish influence and rule inherited a Greek Orthodox or Islamic tradition and were unmistakably 'Balkan'. Their brethren in the north and west, who received Christianity from Rome and authority from Vienna, Budapest, or Venice, belonged to Catholic Central or Mediterranean Europe. Thus it was, in the most fateful case of all, that the Serbs and Croats, speaking variants of the same language, said by some to have been one people in origin, and living next door to each other, developed strikingly different social and value systems and political cultures. The differences are symbolised by their use of two different alphabets—Latin by the Catholic Croats and Cyrillic by the Orthodox Serbs—to write a common language in which the Croatian literary variant is closer to the spoken language of a majority of Serbs and Montenegrins than to that of most Croats. The disruptive potential of these differences in a common State and in the many regions in which the two nations are intermingled is further symbolised by a common Yugoslav saying born of post-1918 experience: 'the very way of life of a Serb and a Croat is a deliberate provocation by each to the other'. Another and self-complimentary Serbian stereotype, which holds that in a

conflict with authority 'the Serb reaches for his sword and the Croat for his pen', focuses metaphorically on an essential difference in inherited political styles. That of the Serbs remembers the tradition of the *hajduk*, the patriotic bandit in the hills offering the only possible answer to the oppressive anarchy of the Ottoman Empire's last two centuries, while that of the Croats reflects lessons learned from highly legalistic and often legally answerable infringements of national and individual freedoms under Habsburg rule.

United at last by the collapse of the Habsburg and Ottoman Empires in 1918, the Yugoslavs remained disunited by nationality, religion and diverse Habsburg, Ottoman and Venetian influences on such basic features of their way of life as urban forms, rural settlement and landholding patterns, legal systems, levels of economic and social development and modes of perception. Their State, however logical, desirable, and desired such a union might be, was a multi-national anachronism in an age characterised by the triumph of the ideology of the nation-State which had created it in 1918. Its official name until 1929, the Kingdom of the Serbs, Croats and Slovenes, bore formal witness to this fact. No single nationality comprised a majority of the population, then about 14 million. Serbs were most numerous, with about 41 per cent of the total, followed by Croats with about 24 per cent and Slovenes with 8.5 per cent. Macedonians, Bosnian Moslems and Montenegrins brought the share of South Slavs in the total population of the South Slav state to about 83 per cent.² The rest consisted of nearly two dozen ethnic minorities, among whom more than 500,000 Germans (until their flight or expulsion after World War II) and nearly as many Magyars and Albanians were numerically and in political potential the most important. The presence of these last and of unredeemed Yugoslav minorities in Italy, Austria, and elsewhere, all symbols of the impossibility of drawing ethnic frontiers on the ethnic map of south-eastern Europe, also added to the fragility of the new State, as irredentists on one side or the other challenged its frontiers with six out of seven neighbours.

The situation was further complicated by an acute maldistribution of both economic and political power, which was rendered socially and politically more dangerous by their respective polarisation in ethnically as well as geographically different parts of the country. As a result of different histories, the peoples of the ex-Habsburg lands of the north and west—Slovenia, Croatia and the Vojvodina—enjoyed higher living standards, most of the little industry, industrial tradition and modern communications which existed, higher literacy and lower birth rates, and more complex social stratification than the peoples of the Balkan and ex-Ottoman provinces, where between 80 and 90 per cent of

the people were still dependent on subsistence peasant agriculture for their livelihood in 1918. At the same time, however, ruling groups in Serbian Belgrade, exploiting their nation's numerical preponderance and the political and psychological consequences of the Serbian Kingdom's role in the war and in the founding of the new State, succeeded in imposing themselves and a highly centralised political system on other nationalities whose leaders usually, and especially in Croatian Zagreb, would have preferred a federation.

While economic power was therefore concentrated in more developed Slovenia and Croatia, political power came to be held almost exclusively by Serbians.³ The Croats, Slovenes and other non-Serbs in the south as well as the north, the majority of the population, found themselves living in what was really a Greater Serbia, with a Serbian king, a Serbian capital, Serbian prime ministers throughout the inter-war period (except for a few months in 1928) and Serb domination of the officer corps of the army and bureaucracy.

In such a situation all significant political parties were ethnic parties except an initially pan-Yugoslav Communist Party, which was driven into illegality and impotence after 1921 and which later and for several years, conforming to Comintern directives, favoured the break-up of Yugoslavia. The political system founded on such parties fluctuated between instability and deadlock until, in frustration, a Serbian royal dictatorship was imposed in January 1929. One of its first acts was to change the name of the State to 'Yugoslavia' and to redefine Serbs, Croats and Slovenes (the first category already subsuming Montenegrins, Macedonians and Bosnian Moslems) as 'tribes' of one 'Yugoslav nation', which seemed to be indistinguishable from the Serb nation in most of its culturally salient characteristics. The dictatorship and perceptions of progressive Serbianisation in turn spawned or spurred militant and sometimes fascist separatist movements, especially among Croats and Macedonians, whose fascist Ustaša and terrorist IMRO⁴ combined their talents to assassinate King Aleksandar Karađordjević in Marseilles in October 1934. In these muddy waters expansionist foreign powers—first Mussolini's Italy and then Hitler's Germany—fished with considerable skill and profit.

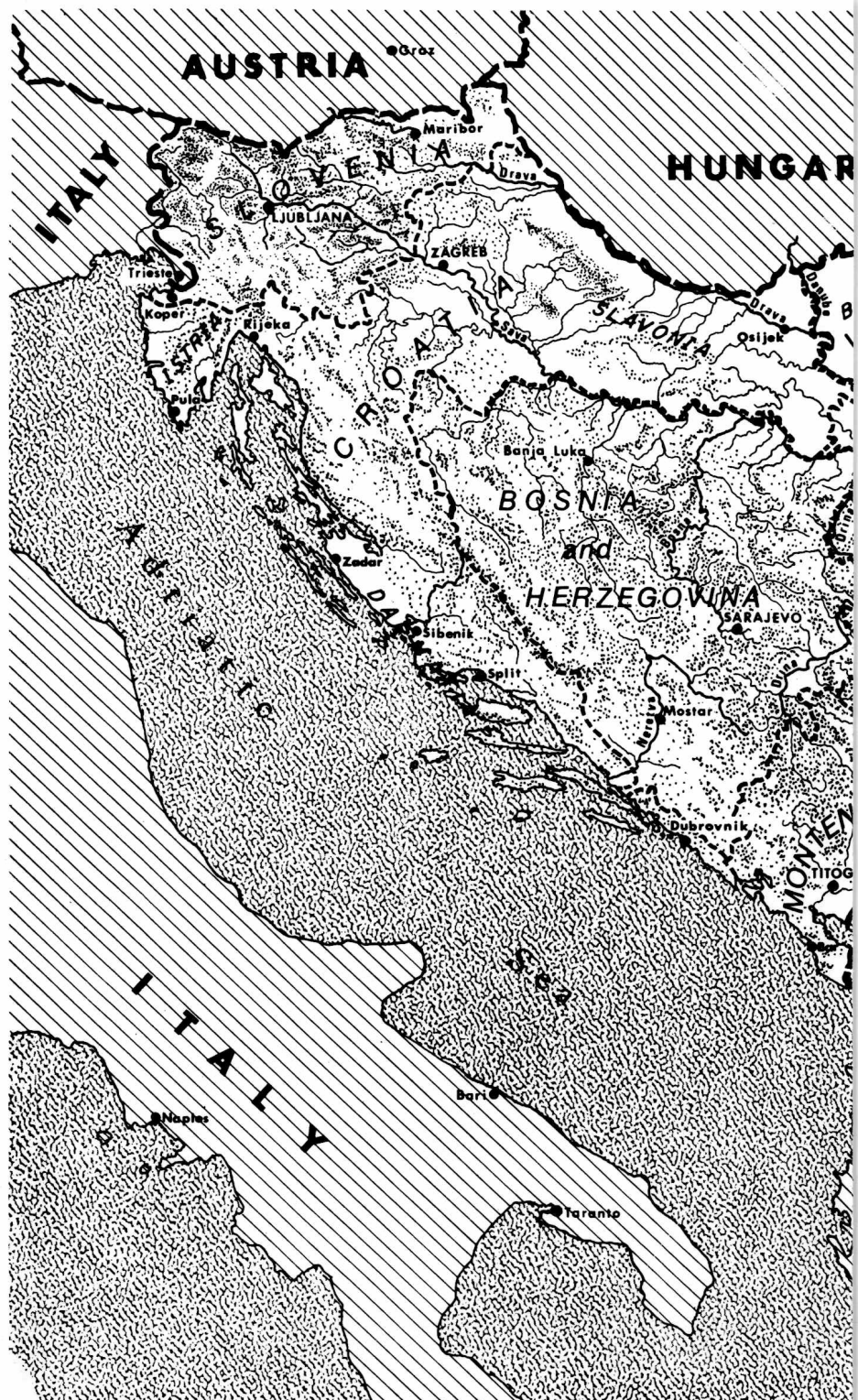
Yugoslavia's economic history, meanwhile, was similar to that of most of its neighbours. There was a brief and hopeful if modest developmental boom in the 1920s, largely financed by foreign capital and therefore leaving most Yugoslav extractive and manufacturing industries under foreign ownership. Then the Great Depression brought its usual social and political as well as economic consequences. In Yugoslavia these included a reluctant but unavoidable slide into economic dependency on Nazi

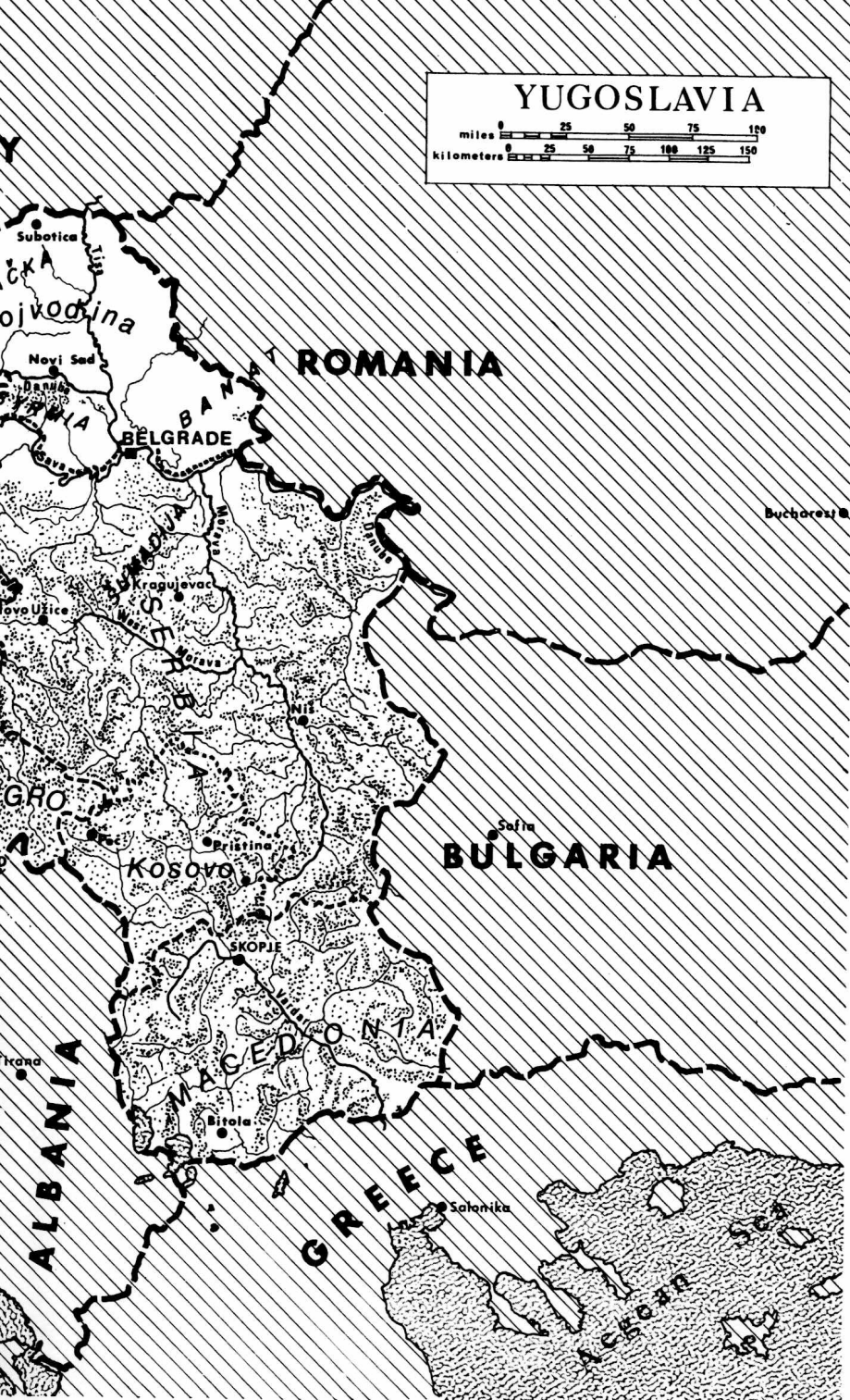
Germany, which alone was able and prepared to take Balkan agricultural and raw materials in return for growing influence and an ability to dictate terms of trade designed to keep these States in a condition which a later age would describe as neo-colonialism. Despite notable progress in some areas, Yugoslavia remained one of the poorest countries in Europe. Per capita national income in 1938 has been variously estimated at between US\$60 and \$70, compared to then levels of \$521 in the USA, \$337 in Germany and \$236 in France. Manufacturing accounted for only 26.8 per cent of national income, an increase of 6 per cent since 1923. The agricultural population, almost entirely peasant smallholders, still represented 75 per cent of total population. The peasant problem was if anything more acute than it had been earlier, with man-land ratios growing progressively worse: from 131 peasants for every 100 hectares of arable land in 1921 to 144 per 100 hectares on the eve of the war. Only 30.1 per cent of children of primary school age were actually in school, and 44.6 per cent of the population was illiterate.

The fragile vessel of such a Yugoslavia broke apart on the rocks of World War II. Under the impact of an Axis invasion in April 1941 the State collapsed and was divided by its conquerors into a patchwork of puppet States and occupied zones, with borders and definitions which emphasised ethnic differences and invited civil strife.

Out of this debris and out of the fires of an extraordinary combination of an epic national liberation struggle, an inter-ethnic civil war and a social revolution there arose the phoenix of a new Yugoslavia, wearing the red star of communism. The unsolved basic problems of the old Yugoslavia remained: how to achieve effective independence for a sensitively located small country; how to achieve rapid economic and social modernisation in a poor country endowed with little appropriate social infrastructure and less capital and trained manpower, and with sharply differing regional levels of backwardness which coincided with the distribution of mutually suspicious ethnic communities; and how to achieve, along with such modernization, the brotherhood and unity of these diverse peoples. Solutions were now to be sought by a group of inexperienced, dogmatically-trained but eager and frequently intelligent and flexible Balkan Communists, who had just proved themselves to be motivated at least as much by patriotism as by Marxist ideology. In principle they would seek to answer the national question with federalism and cultural autonomy under the umbrella of a one-party but multinational dictatorship, the developmental question with socialism, and the problem of independence with a rash but successful defiance of the logic of their own and their country's weakness.

MAP





CONTENTS

Preface	vii
Principal abbreviations	xii
Foreword	xiii
1 THE BIRTH OF A NEW YUGOSLAVIA	1
Yugoslav Stalinism, 13; The break with Stalin, 22	
2 THE BREAK WITH STALINISM	32
Between Cominform and the West, 42; To the 'Yugoslav Road', 47; 'Market Socialism' and 'Socialist Democracy', 62; Constitution and Congress, 70	
3 CONSOLIDATION AND DEVELOPMENT	81
The Djilas crisis, 81; Tito and Khrushchev, 87; Economic growth, political stagnation, 94; The 7th Congress, 104	
4 THE GREAT DEBATE RESUMED	108
Reform and recession, 108; New actors to articulate old interests, 112; The economists' debate, 120; The debate becomes public, 126; Counter-arguments and the national question, 130	
5 LAISSEZ-FAIRE SOCIALISM	138
The dialectics of development, 138; From Constitution to Congress, 148; The 8th Congress, 163; The reforms of 1965, 172; Aftermath: resistance and Ranković, 179; To Brioni: the 4th Plenum, 184	
6 THE LIBERAL ASCENDANCY	192
The new polyarchy, 192; The Party reforms of 1966-67, 197; The economy after the Reform, 202; Between neo-imperialism and neo-Cominform, 209; The new ideological debate, 214; Dissent and reaction, 222; Of economists, students and the 'political underground', 229; Student revolt, 232; The impact of Czechoslovakia, 239	
7 THE PRICE OF PLURALISM	245
Dissent revived, and the Croatian strategy, 245; Paralysis in a power vacuum, 250; The Party Congresses of 1968-69, 255; Liberal dilemmas and the elections of 1969, 260; The crisis of modernisation, 266; A new Croatian strategy, 273; Towards confederation, 280; The road to Karadjordjevo, 287	