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SOCIALIST SELF-MANAGEMENT BETWEEN POLITICS AND ECONOMY

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ABSTRACT

The article deals with the peculiarities of the socialist Yugoslav self-management system whose development took place in constant conflicts of political authority and critically oriented intelligentsia. The latter were under the strong influence of the West due to the openness of Yugoslavia. The focus is put upon the last critical decade of Yugoslavia after the death of Josip Broz Tito in 1980. The paper includes a wider overview on the problems of perception of self-management in the West and in the Yugoslav intellectual community as well as short insight into the economic and social issues related to self-management, especially in the period of severe crisis in the 1980s. The paper discusses the contributions of some of the leading international and Croatian experts such as Milton Friedman, Ljubo Sirc, Branko Horvat, Marijan Korošić, Slavko Goldstein and others.

Keywords: Self-management, Socialist Yugoslavia, Josip Broz Tito, Edvard Kardelj, Milton Friedman, Branko Horvat

AUTOGESTIONE SOCIALISTA TRA POLITICA ED ECONOMIA

SINTESI

L'articolo prende in esame le peculiarità del sistema jugoslavo di autogestione socialista, il cui sviluppo avvenne fra costanti conflitti tra le autorità politiche e il criticamente orientato ceto intellettuale. Quest'ultimo era fortemente influenzato dall'Ovest grazie al carattere aperto della Jugoslavia. L'accento viene posto sull'ultimo difficile decennio della Jugoslavia in seguito alla morte di Josip Broz Tito nel 1980. L'articolo include un ampio quadro dei problemi della percezione dell'autogestione nell'Occidente e nella comunità intellettuale jugoslava, nonché una breve panoramica delle questioni economiche e sociali legate all'autogestione, in particolare quelle del periodo della grave crisi degli anni '80. L'articolo esamina i contributi di alcuni dei principali esperti internazionali e croati, tra cui Milton Friedman, Ljubo Sirc, Branko Horvat, Marijan Korošić, Slavko Goldstein e altri.

Parole chiave: autogestione, Jugoslavia socialista, Josip Broz Tito, Edvard Kardelj, Milton Friedman, Branko Horvat

INTRODUCTION

The general erosion and disorientation of the working class – as it was viewed by the distinguished French intellectual André Gortz in the early 1980s in his book *Farewell to the Working Class*, came to the fore in a most unusual way in socialist Yugoslavia (Mason, 2016, 235).¹ In a country that was neither communist like the East nor a capitalist like the West, the position of workers was exceptional due to the system of self-management. Moreover, the self-governing society also promoted social property as the basic category of ownership (although there was also a private property).² In the case of Yugoslavia, the 1980s had a special significance. It was “a fatal decade”; not just for the status of the Yugoslav working class but the state itself. In words of the economist Vladimir Gligorov “*in order to understand the break-up of Yugoslavia, this is certainly the most important political and economic period*” (Gligorov, 2017, 414). In May 1980, Yugoslav president Josip Broz Tito passed away. With his death, the main integrative factor in Yugoslavia ceased to exist. All the antagonisms of the heterogeneous political, social and economic system spilled out on the surface. The important role had a national question.³ National homogenization processes in interaction with severe economic crisis ultimately led to the collapse of a state that disappeared in the series of brutal wars in the first half of the 1990s.

The early 1980s were also the years of the outbreak of a severe economic crisis and the beginning of the end of the social experiment of workers’ self-management in socialist Yugoslavia. The idea, designed at the beginning of the 1950s as the foundation of a peculiar Yugoslav pattern in communism, vanished during the eighties in a series of labor strikes and demands for radical political and social changes. In conditions of the crisis – “a permanent revolution” transformed into “a permanent crisis”, very different ideas were developed in an attempt of finding the sustainability of the Yugoslav self-governing society. Due to the openness of the Yugoslav state, these ideas were under the strong influence of the West already in their formative phase at the beginning of the fifties, but also under the constant watchful eye of the party apparatus and control of the rigid state-bureaucracy. This outlandish position of Yugoslavia raises many questions, including the relationship to the particularity of self-management. What was the general impact of the West – including the intellectual interactions – and how did it reflect on the perception of self-management? What were the economic and social circumstances of the last decade of Yugoslavia and how they reflected on the destiny of self-management? What ideas are developing in the 1980s in considering the sustainability of the system of self-management? But, first of all,

1 Gortz work emerges after the defeat of the French left in 1978, and then under great change after the introduction of deregulation in the West in the early 1980s.

2 The legal system of the former Socialist Federal Republic of Yugoslavia (SFRY) distinguished two types of property: private property and social ownership. While private property owners were private individuals (physical persons) and some private legal entities called “civil legal entities” such as foundations, associations and religious communities, the socially owned property according to official doctrine did not have the owner.

3 Despite the proclaimed unity, immediately after the departure of the Yugoslav sovereign riots emerged in Kosovo in 1981; as one of the most exposed Yugoslav weak point, the “Kosovo question” become the main trigger for the spread of national antagonisms throughout Yugoslavia over the decade.

what was the workers self-management? How was it viewed in the West and what was the experiences and regards of the very participants of the system?

THE PERCEPTION OF YUGOSLAV SELF-MANAGEMENT

During a 1977 visit to Yugoslavia, the French socialist leader François Mitterrand observed that “*the Yugoslav communists were word drunk and that the term ‘self-management’ was used as a magic word which was believed to solve everything*” (NIN, 11. 5. 1977, in: Sirc, 1979, 244–245). The Mitterrand’s observation was used as an argument by the economist Ljubo Sirc who pointed out that “*Yugoslav communist leaders will not accept that Marxist economics is fallacious*” so their usual response to the economic problems “*is manipulation of the words*”; the worst offender in this respect was the chief architect of self-management Edvard Kardelj, “*who has no sense of reality but juggles with words to the horror of all those who have to carry out his continuous ‘innovations’*” (Sirc, 1979, 244–245).

If the socialist Mitterrand and the hard-line critics of Yugoslav socialist society didn’t have too much compassion for the Yugoslav workers self-management one could be surprised with views of the guru of a liberal capitalism, Milton Friedman. In March and April 1973 Friedman gave two interviews to *Chicago Tribune*, before and after his trip to Yugoslavia. Friedman stated that Yugoslavia – in the economic sense – was “*one of the most fascinating places in the world*”. Among the other arguments for this observation he gave a wider analysis of the concept of workers self-management. As an example of the functioning of self-management he presented a short “case study” on one factory he had visited during his stay in Zagreb (probably Nikola Tesla). Although he identified some controversies within the Yugoslav model (e.g. status of equity ownership) he also found some similarities with the American corporate enterprise. Speaking about the Yugoslav market economy and the social ownership – related to self-management – Friedman called the Yugoslav socialist system a “*capitalism without capitalists*”. He considered Yugoslavia an open country especially in comparison to states of real socialism. His essay on the economy was published in Yugoslavia in early 1970 and he even claimed he had some disciples of his “open market” doctrine in Yugoslavia (Friedman, 1973a; Friedman, 1973b). In the phase of the agony of Tito’s Yugoslavia in the late 1980s Friedman will also present a transitional model in the wake of reform efforts of the last Yugoslav Prime Minister Ante Marković.

In any case, a Yugoslav precedent which did not impress Mitterrand, and attracted the attention of Friedman, was an interesting historical experiment. For years after the collapse of the Yugoslav state, sociologist Todor Kuljić observes that, in the historical sense,

Yugoslav self-management was an experiment created under the influence of various ideas: the heritage of the Paris Commune, the legacy of Serbian social democracies from the end of the nineteenth century, the legacy of anarchy, which was later important in the criticism of Stalinism [...] the system of Yugoslav self-government was also a national, even supra-national laboratory (Kuljić, 2005).

For one of the leading Yugoslav economists Branko Horvat, whose economic views developed in a strong interaction with the doctrines of the West, self-management was – “a silent world revolution” (interview NIN, 1984, in: Horvat, 1985, 73–81); essentially, it was “*the removal of hierarchical relations between people and the creation of a society of equal and free people*” (Horvat, 1985, 219).

One of the inconclusive evaluations of the Yugoslav self-management – given from the time distance – was an observation of the economic historian and political scientist Susan L. Woodward:

One might say that the Yugoslav (self-management) system was a mixture of liberal and socialist assumptions about economic behavior and goals for economic and political life. Organizationally, it was a hybrid, based on an idea of social-property rights that were simultaneously economical and political; its methods of allocating economic resources and of making and enforcing public choices relied on neither the competitive price mechanism of capitalist society nor the planning bureaucracy of statist society, but on the idea of democratic consultation and agreement among autonomous and self-interested but also cooperative property owners (governments and the work collectives with rights to manage social assets) on common rules for value and distribution (Woodward, 1995, 173).

Even in the aforementioned examples, it is rather obvious that the Yugoslav model of worker self-management has caused very different reactions and controversial interpretations of various politicians, field experts, and intellectuals in general.

SELF-MANAGEMENT: PARTY AND INTELLIGENTSIA’S “CRITIQUE OF ALL EXISTING”

From the very beginning, self-management was a kind of strange social experiment developed under the auspices of the “authentic Yugoslav revolution”. In years of formation of Yugoslavia after the split with Stalin, self-management was presented by its creators as a “*common law of the progress of socialism*” which will lead to the historical realization of “*Marxist ideal of an association of free producers*” (Kardelj, 1977, 10–11). According to Kardelj, the very idea of self-management was closely linked to self-liberation of working class:

The worker and the man, although burdened with the past and irrational motives, was supposed to rebel spontaneously and rationally against conditions in which he is a hired worker of the state or a passive instrument and a wheel in a bureaucratic-managed machine, or just the consumer whose salary is determined by the others (Kardelj, 1977, 17).

From the practical political point self-management was, first of all, a plausible Marxist justification for the resistance to Stalin after the 1948 split; in words of Yugoslav

president Josip Broz Tito “*self-management had been – so to speak – forced on Yugoslavia*” (Borba, 9. 5. 1971, in: Sirc, 1979, 5). For the pragmatist Tito, who did not show any greater interest in deeper theoretical considerations, despite taking over the elements of a capitalist market economy (discussed by Milton Friedman) self-management was basically “*only a specific form of the dictatorship of the proletariat*” (Borba, 1. 12. 1973, in: Sirc, 1979, 231). Although he often reconsidered the practical problems of self-management development – as a supreme arbitrator of the Yugoslav society – Tito as the statesman valued the self-management primarily as a part of the unique Yugoslav legitimacy that provided him world reputation.⁴

Unlike his more idealist-oriented comrades who designed the concept of self-management, Tito always took care on the limits of “the proper line” in order to avoid any situation which would put into the question his personal power and the system he was maintaining (Pirjevec, 2012, 340–357). That certainly does not mean he was not a revolutionary. Speaking about the adoption of the Law on Workers’ Self-Government at the National Assembly of the FNRJ on June 27, 1950, Tito’s act of “handing over the factory to the workers” was accompanied by the announcement of the introduction of social property; at the same time he revealed the need of distance of the “party from the ruling machine” in order to avoid the coalescence of the communist avant-garde and state bureaucracy with the society (Bilandžić, 1985, 171–172).⁵ In time, this radical act – followed by the opening up to the West – will create a more liberal atmosphere and provide a certain space for creative freedom, especially in the arts, culture, and science. The initiation of self-management, which also encompassed the intellectual spheres of social life also promoted various forms of social criticism. According to Dušan Bilandžić,

strong criticism of Stalinism and etatisme in Yugoslav theory and practice, with parallel unloosening the bureaucratic stalemate in all the cells of society – in the

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- 4 There are many examples of the practical background and scope of self-management in Tito’s perceptions. When Czech-Slovak workers began calling for the introduction of self-management towards the Yugoslav model during the Spring of 1968, Tito welcomed it. When Dubček announced the introduction of political pluralism, Tito tacitly accepted the Soviet intervention because of the fear of precedent which would put in question the communist authority and their political monopoly (although he was aware that Brezhnev’s doctrine could easily turn onto Yugoslavia as well).
- 5 In the manners he led the liberation struggle of the people, Tito pointed out three points: 1. The process of state deprivation begins immediately (the act of handing over the factory to the workers). 2. Since the Communist Party is at risk of integrating with the state apparatus and thus transforming the Workers’ Party into the KPJ forcing tool, it is decided that the Party will distance itself from the power of the apparatus and strengthen itself as a political party of its class. 3. The state form of property is only a temporary, initial and lowest form of socialist property. State property must be transformed into social ownership under direct management. The beginning of the process that will be based on these conceptual was confirmed by the act of handing over the factories to the workers. The Basic Law regulating the Workers Self-management in Socialist Yugoslavia was adopted by the National Assembly on January 13, 1953. In administrative regulation sense „the new economic system“ peak was the Law on Associated Labor (colloquially called the „workers constitution) from 1976. The law was related to 1974 Yugoslav Constitution as a document on political and labor relations.

Party, mass organizations, work organizations – and it also allowed to break with the etatisme structures and abandon forms of coercion. It also allowed critique of everything existing. Such concepts were particularly pronounced in one part of the intelligentsia (Bilandžić, 1985, 195).

Consequently, the self-management itself – as an origination for socialist democracy – has become a subject of study and criticism. It was a system of “controlled liberties” with clear boundaries. The concept of fraternity and unity, the Communist Party and Tito himself were not a suitable topic of deeper criticism.

However, the very fact of opening to the Western influences testifies about the certain self-confidence and the social cohesion of Yugoslav society at the time. There are many examples of interaction between Yugoslav and Western intelligentsia. In the foreword of his book *Growth with Self-Management*, American economist and university professor’s John L. Moore writes: “*This study is an outgrowth of interest in workers self-management that dates to a visit in 1968–69 to the University of Virginia by professor Alexander Bajt of the University of Ljubljana. Profesor Bajt sparked my interest in the institutions of self-management and encouraged me to continue my studies of the system*” (Moore, 1980, Preface).

What were the limits of criticism and freedom (self-management), and who was the supreme arbitrator was soon revealed in the 1954 conflict at the party’s top. The self-management was not overlooked in the confronting interpretations of socialist democracy. The demands of one of the closest Tito’s associates Milovan Djilas – who began to advocate the freedom of political organizations of working people – were directly associated with self-governing freedoms. On the other side, expeditious – “*overwhelming changes in social relations*” – were not welcomed because they could jeopardize the process of building the democracy through the affirmation of self-management (Bilandžić, 1985, 197). Edward Kardelj’s concluding criticism of Djilas’s ideas was referred to the Yugoslav democratic self-managing alternative (versus bourgeois multi-party democracy):

I do not claim that we are very close to the realization of such a type of democracy, nonparty democracy, but we have laid a solid foundation for it in the social self-management mechanism. Further development of this mechanism means strengthening the leading influence of the working class at the head of all working masses – which is the main weapon against bureaucratic tendencies and against the negative phenomena in our system. There is no other (Komunist, 1–2, 1954, 30, in: Bilandžić, 1985, 201).

Conflicts of opinion within the party about nature, the guidelines and the dynamics of the development of democratic processes and self-management paradigmatically indicated the general tendency of development of critical discourse. And it will continue to develop in different forms and in different currents until the collapse of the communist governance. Conflicts of ideology and critical thoughts, party bureaucracy and in-

telligentsia, manifested many controversies. The self-management as a system was the origination and the very subject of criticism at the same time. In self-management discussions, many economists, sociologists, political scientists, and philosophers warned of substantive self-management issues.⁶ The *Praxis* movement criticized the particular form of socialist self-management implemented in Yugoslavia, arguing that the expansion of bureaucratic power in the Yugoslav economy was due to Yugoslav workers' self-management not being sufficiently radical. At the same time, due to the criticism, some of the authors were pronounced as a “*professional Anti-Communists*” and “*enemies of self-managing socialism*.” The Yugoslav members of *Praxis* were connected with philosophers and social critics from the entire world. Together they attended the symposium on Korčula, so-called Korčula Summer School until 1974 when authorities disabled the release of *Praxis* magazine and the work of school (Lešaja, 2014).

Nevertheless, it was impossible to prevent and utterly disable the rapidly growing influence of intelligentsia. In liberal 1960s, some Yugoslav sociologists embarked on research on a disparity between the official doctrine and real situation. Some of the research led to the conclusion that self-management is just “unrealistic ideological projection”, “the term which has lost its meaning” and “*contradictio in adiecto*” (Sirc, 1979, 173). The arguments were numerous: e.g. “*Formally, the workers in enterprises are given all power but they cannot exercise it and know that is so. First, their expectations were fanned, only to be deceived, which led to disillusionment and frustration*” (Sirc, 1979, 175). This type of scientific research annoyed party leaders. When, in 1975 four scholars at the Faculty of Sociology, Politics and Journalism in Ljubljana came up with a new work on self-management based on research carried out in several factories, their conclusions were discredited “as politically harmful”. The whole episode got a public attention even in a foreign press (*The Times*). Veljko Rus and Janez Jerovšek along with two colleagues were accused of “*‘technocratic liberalist deviation’ but the whole university supported them, including party cell of their faculty*” (Sirc, 1979, 175; cf. Ramšak, 2019, 130–135). Assessing the criticism of economists and sociologists who claimed that the professional communist “*were making decisions on matters for which ultimately they did not carry any responsibility*” – “*Party representatives were acting like ‘padres’ to factories*”, economist Branko Horvat gives the following observation on self-management in mid-1973 in *Economic Policy Magazine*: “*all that self-management consist is of hiring and firing. I do not exaggerate if I say that self-management has been liquidated. And since it is supposed to be a driving force of our economy, it can be said that our economic power is failing*” (Ekonomska politika, 16. 7. 1973, in: Sirc, 1979, 211). Horvat himself was one of the greatest advocates of labor self-management, but also a sharp critic of its shortcomings, to which he was tirelessly pointing out in his economic analysis.

6 Thanks to Yugoslav educational policy (free education) and especially to cultural policy, despite some of the occasional retorsion certain forms of social criticism emerged that was unimaginable in the countries of real socialism. Due to such political climate, relatively large production of various scientific papers monitored and analyzed the social conditions including the problems of self-management (Topolčić & Murati, 1994).

If the observations of sociologists and philosophers – who devoted their thoughts to “critique of all existing” sometimes acted as an intellectual leisure (especially from the perspective of “direct producers”), an economic analysis was intractable. Architects of self-management have invested enormous efforts in attempts to align economical legitimacy and constructed ideological settings. This has led to many problems in understanding the system itself. Sometimes it seemed like Yugoslav self-management suffered from a “persistent incomprehension”. One of the confusions over characterizing the Yugoslav system arose from the system’s use of many “market elements”. Actually, the very term *market* had varying meaning for different people and at different times. Most commonly, the *market* meant the operation of the “law of value” but it could also mean what Boris Kidrič called the “capitalist principles of accumulation”. The same expression was also applied to decentralization and more autonomy (Woodward, 1995, 170–171). In mid-1966, Boris Kraigher acknowledged that the problems of foreign exchanges are rather complicated: “*I admit that, two years ago, I did not understand them as well as I do now, and that discussion helped all of us to learn about these things*”. In meantime Yugoslav economy produced a trade deficit which reached about \$ 4.4 billion in 1977 (Sirc, 1979, 168).

The system itself was faced with the consequences of many purely defined situations. One was the problem of payment and accumulation of debts due to the lack of responsibilities in property management. At the time of monetary stringency self-management enterprises could not pay their debts to each other because of liquidity and so they began to grant each other more and more credit. At the end of September 1975, economic organizations had claims amounting to more than 273 billion dinars (1975 GDP was 497 billion dinars) on customers and owned 262 billion dinars to banks (Sirc, 1979, 153, 155). There were calls to make bankruptcy, but doubts appeared about whether these institutions were compatible with self-management (Sirc, 1979, 157). Bankruptcy simply does not make sense under Yugoslav conditions; “*nobody loses the property, which is the main deterrent under capitalism, and the workers are deemed to have the right to work*”. As previously stressed, they cannot be held responsible for the working of enterprise, as the investment decisions at least are caused by wrong decisions make themselves felt, while there can be no doubt that irrational investment is among the more important causes of losses (Sirc, 1979, 157).

However, Yugoslavia’s main concern was unemployment. At the end of 1970s Yugoslav self-management system starting to lose its ability to provide an acceptable level of employment. In 1980 the unemployment rate was at 13,8% not counting around 1 million workers employed abroad. Deteriorating living conditions during the 1980s caused the Yugoslavian unemployment rate to reach 17 percent, while another 20 percent were underemployed. 60% of the unemployed were young people under the age of 25 (Petak, 2003; Woodward, 1995, 191–222). In the land of self-governing workers in which “*every member of the society has the right to work*”, great unemployment and mass emigration were not only an economic and social “time bomb” but a clear indicator of the gap between the theory and practice of self-managing socialism. The years later, Branko Horvat will observe that “*the present great unemployment*

is an equally massive violation of socialist principles as well as the privatization of social property” (Horvat, 1989, 28–29). The path to a classless society has increasingly deepened its controversies. Unemployment, continued debt growth, low product competitiveness, inflationary tendencies – as well as organizational problems stemming from complicated self-management regulations – soon lead to total devaluation of work.

Working collectives were “tide up” with regulations and constantly exposed to interventions of state and political organs so much that none of the vital business decisions could be made independently (price formation, investment, income distribution, etc.). In the introduction of his book *Growth with Self-Management* J. H. Moore stated: “It is impossible to understand the Yugoslav system of workers’ self-management without appreciating the continuous change that has characterized it”. Moor gave “a graphic description” of what he ment by quoting “well-known Yugoslav economist Branko Horvat”:

In the fourteen years covered (1952–65), every three brought a regulation issued at the level of the Administration or Parliament. In addition, the Federal economic secretariats and banks produced rules, orders, instructions, decisions and solutions (245 in 1965). When we take into account the regulations of the republics and localities, and subtract holidays and vacations from the time available, it follows that every working day brought some administrative pressure. State bodies, the National Bank, and the Social Accounting Service also have their internal regulations, they also change and, by the nature of things, even faster and more often than legislative acts (Moore, 1980, 5).

Self-management began to stagnate and then rapidly regressed. Degradation of self-management manifested itself in the constant interventions of socio-political workers who predominantly occupied and managed all important positions in companies. An intricate system of self-governing acts that continuously subjected the economic reasoning to ideological canons had further complicated the functioning of self-management. According to research performed by sociologist Vladimir Arzenšek in the most developed Yugoslav Republic of Slovenia, in the late seventies, two-thirds of the workers did not participate in appointing candidates for self-governing bodies and delegations; confidence into the system and sense to just distribution of the results of work and relevant functions was exposed to constant erosion. Half of the surveyed workers argued that they had different interests from Union officials who was supposed to represent them. Until 1980, three-fifths of the workers were no longer members of the Union (Arzenšek, 1981, 4). Much earlier before critical 1980s economic conditions revealed structural problems of self-management. In words of Susan L. Woodward, “the system no longer recognized unpropertied wage earners, either as a class or a status. The concept of labor as an actor separate from capital ceased to exist; the inefficiency of economy clarified that self-management was not, and never became, a system of workers’ control” (Woodward, 1995, 166).

THE CASTLES OF THEORY AND HUTS OF *PRAXIS* & THE STEAMROLLER OF SELF-MANAGEMENT

Like other aspects of the Yugoslav socialist society, self-management had its own stages. The constitutional period of the 1950s was marked by the constitutional law of 1953, which at the legislative level “*planned the democratization of society*”. Based on “*Marx’s idea of deprivation of state, democracy and self-management*”, Yugoslavia had developed the distinctive idea of a path toward communism; along with the concept of non-alignment, self-management was imposed as a pivotal alternative to the Soviet matrix (Pirjevec, 2012, 398). However, the foreign-political legitimacy of the Yugoslav state through self-management – which has not remained unnoticed⁷ – concealed serious internal problems. Different perceptions of the self-governing process led to many conflicts involving members of the communist authorities, intelligentsia and the workers themselves. In the book *New Class – Criticism of Contemporary Communism* from mid-fifties, a dissident Milovan Đilas has been prophetic on the problems that will accompany the development of self-management:

The Yugoslav so-called labor self-management, which in the time of conflict with Soviet imperialism was conceived as a far-reaching democratic measure that would deprive the party of monopoly of government, gradually falls to one of the partisan labor sector, powerless to shake, especially to change the existing system [...] no-one can decide on anything. The greatest benefits of the bestowed freedom were the donors themselves (Đilas, 2009, 67).

This critical observation of one of the creators of the idea of self-management had, however, a reverse that would essentially mark the development of the Yugoslav model of socialism thanks to the “dogmatic-liberal” ambiguities of Titoism. As the primary ideological-political project designed at the top of the Party, self-management was imposed as a constraint, but at the same time the origin of political autonomy that fostered critical thinking unimaginable in other states in which the authorities were the communists. The 1960s marked rise of liberal tendencies, especially after the fall of the almighty secretary of the secret services Aleksandar Ranković in 1966, and self-management was a powerful generator of the overall changes of the Yugoslav society. According to the 1963 Constitution, two fundamental postulates have defined the position of citizens as “*free and equal producers and creators*”⁸: “*Social ownership of productive resources*” and “*the right to manage the entire process of social production,*

7 For example, Polish historian Andrzej Packowski states that from 1956 to 1957, “*The Yugoslav model of self-management – for a part of the Polish communists and the broader leftist – became evidence that socialism does not have to be centralized and bureaucratic, and that society can have an influence if not on the politics at least on the activity of a factory or mine*” (Jakovina, 2003, 630).

8 These aspects of self-managing postulates were defined in the Constitution of the SFRY (1963): Basic Principles, Section II, paragraphs 3, 4, 6; Section III, paragraph 1; Section IV, paragraph 2; Chapter II, Art. 6, Article 9, and others.

starting from management in its working organization to management in all political-territorial communities” (Drutter & Drutter, 1964, 145). The system should be regulated “*through various systems and mechanisms such as the system of market relations, the system of planning the direction of economic development, the distribution system, the investment system, the lending system, the budget and tax system, the international exchange system, etc.*”; According to the projections of the then ideologists, the very economic system was conceived as “*a set of actions of political superstructure on an economical base*” (Drutter & Drutter, 1964, 144–145).

The self-management, as already indicated, becomes subject to critical re-examination ranging from philosophy, law, economics, sociological and political studies to everyday praxis. But the real challenge was how to apply the self-managing concept in practice. The relevant example of attempts to harmonize theory and practice in self-management were the efforts of reforms-oriented Slovenian Communist Stane Kavčič. After the outbreak of the first great strike in Yugoslavia, organized by the miners in Trbovlje in early 1958, it was clear that there was substantial gap between the workers and the political elite which represented themselves as an “*avant-garde*” of the working class. The attempt to calm the miners by the prominent social-political worker Miha Marinko, who was born in Trbovlje, ended with a fiasco when he came to his mission with the Mercedes, which “*only raged the miners*” (Pirjevec, 2012, 425). Tito himself condemned the strike as an obstruction organized by the “*imperialist forces*” and “*enemy elements*”; the use of force was also considered. The conflict was patch up by the President of Slovenia’s Executive Council Stane Kavčič who managed to get higher coal price and higher wages (Pirjevec, 2012, 425–426).

Confrontation of the views and the course of implementation of self-management was expressed in the latent conflict by two currents within the communist party; the one who generally advocated an “*administrative approach*” – above all the role of the central government, and, on the other hand, the liberal-reformer line (in accordance with the conclusions of the VI Congress of the SKJ). The latter advocated the strengthening of the Republican (national) and lower levels of decision-making. Such tendency provoked Serbian writer Dobrica Ćosić to raise the question of future course of Yugoslav self-management development: “*Should Yugoslavia persist in its self-management experiment which foresees self-government, and therefore the autonomy of the republic, or should be developed in the partisan tradition of brotherhood and unity?*” (Ćosić, 2001, 216, in: Pirjevec, 2012, 459). For Stane Kavčič Yugoslavia could not survive “*without the Scandinavian type of socialism*” (Pirjevec, 2012, 472). In his exhaustive review of current problems of self-management in the mid-sixties – titled *Self-management*, Kavčič has critically tackled numerous issues of political and economic praxis and everyday life: the role of bureaucracy in obstruction of self-management development, youth socialist education, social role of intellectuals, workers’ rights, the relationship between democracy and the economy, and even the position of Roman Catholicism in Slovenia and current political situation in the Vatican (Kavčič, 1964–1967). For Kavčič, the revolution was a process that could not be seen from the “*black and white*” perspective and interpret in the dogmatic manners and on “*a priori assumptions*”. To ideological propaganda, he opposed

the critical thinking, “*rejecting prejudice, routine and mold*” (Kavčič, 1964, 5). According to the canons of the Yugoslav concept of socialist democracy, he rejected the political pluralism of the Western type by relying on a direct democracy of self-management. In his point of view “*knowledge and culture*” and “*freedom of action*” played an important role in the development of self-management society (Kavčič, 1967, 217). Kavčič represented the younger generations of liberal-oriented communists who were generally in favor of rooting reforms, “*introducing market principles, decentralization and accelerating self-management in social life*” (Pirjevec, 2012, 490).

Despite the national differences, the common goal of the Yugoslav reformers of the 1960s was the restoration of the entire economic structures, which implied “*deep political and ideological transformation.*” The results of “*liberalization*” – the opening up to the market economy – have been shown in a series of economic and social developments, despite the problem of increasingly pronounced foreign borrowing (in the mid-sixties the foreign debt reaches more than one billion and two hundred thousand dollars). The average economic growth rate was the third in the world (7.2% per annum), while the lag behind Europe fell from 4 to 2,5 times. In the era of industrialization, Yugoslavia was at the top of the world scale, in line with Japan. It also promoted a new economic branch, tourism, whose income was about \$ 100 million a year. Accelerated growth has also reflected on the standard. The National Income of the 1960s reached \$ 500 per capita with a growth trend (1970 rose to \$ 860). In the same period, health, education and science were evolving. There were also differences among the republics and different parts of Yugoslavia; in Slovenia, the average GDP per capita was approximately \$ 1,550, which was five times more than the most undeveloped part of Yugoslavia, Kosovo (Pirjevec, 2012, 491–492, 523).

Such an economic and political trend was interrupted by the mass purge of the reformists and liberals in Croatia, Serbia and Slovenia in 1971–1972. Reform-oriented communists were removed from the political scene although many among them honestly believed in a self-managing project. A purge opened up a space for reaffirmation of conservatives who had different ideas of the dynamics and the way of applying self-management. In that sense, 1970s were the key years that determined the fate of the Yugoslav self-management experiment. Despite the 1974 Constitution and the 1976 Associated Work Act (ZUR), which in some aspects exceeded the expectations of reformists, the human resources were devastated and spontaneous spirit of the Liberal Sixties had been interrupted. The consequence was strengthening of the influence of the Communist Party and the administration. Meanwhile, economic and social problems multiplied (economic stagnation and setback, unemployment, debt growth in Yugoslavia, world economic disorder due to the oil crisis in 1973 and 1979).

The Party responded to a growing crisis with “*more self-management*”, stipulating how the process should take place. By the end of the seventies, a massive normative framework and an administrative apparatus were developed. It assumed that “*all working people of the socialist self-management democracy*” in the exercise of their “*rights, freedoms and duties should be informed and directed to the greatest extent to the legal system, that the Constitution and laws are their tools in achieving their constitutional*

position in joint-work, in the local and interest community and in the municipality". The magnitude of this intervention could be a review in the 1979 edition titled *My Rights, My Duties* which consisted of 1339 pages of the text on the Constitution and the laws passed until March 1979. Printed in the form of a popular edition of the *Legal Advisor* it was intended for "a working man and citizen" who should be informed about their rights and duties. The idea of the functioning of a socialist self-managing system was based on an imperative assumption – "*the system assumes and requires*" – that "*every working man is self-governer who, in conjunction with his socially useful work, manages the results of his work and social resources in his personal and his social interest, and that, by exercising political authority, makes self-governing and political decisions*" (Hrženjak, 1979, XIII). About 1,25 to 1,5 million legal acts have been adopted for the implementation of the ZUR at all levels of social activities. This fact speaks for itself about the legal and formal gigantism of the system. According to Dušan Bilandžić, each Basic Organization of Associated Work had to bring about thirty general legal acts that most often included five hundred to one thousand pages of legal norms (Bilandžić, 1999, 680, in: Kovačić, 2016, 69).

One of the consequences of continuing efforts of "polishing" the self-management with the theoretical-ideological tools was the hyperinflation of intellectual contribution. As noted in a 1974 article entitled "*Theoretical castles and huts of praxis*", by the distinguished publicist Veselko Tenžera, "*Gulliver of theory and Lilliput of praxis become the general feature of the time we live in. On the course of what is not yet, to what will be, there are entire libraries of theoretical projects that are waiting for their builders*" (Tenžera, 1988, 176). The numerous issues on self-management in the seventies harmoniously fit Tenžera's observation. The whole libraries with the most diverse works of Yugoslav intellectuals and publicists followed the development of self-management. The distinguished socio-political workers, social and humanistic intelligentsia have participated in a huge project of scientific support to a peculiar Yugoslav way to communism; e.g. series of publications from the mid-seventies devoted to the study of Marxist theory and socialist practice based on the lectures issued by the political school "Josip Broz Tito" (in Tito's birthplace Kumrovec). The edition was dedicated to "ideological-political education of workers". Promotion of the edition followed several years after the 1974 shutdown of Praxis, the most prestigious humanities magazine with the international reputation, whose highly critical discourse of communist practice by the prominent communist intellectuals did not fit into the party-controlled development of self-governing society.

Despite the persistence of the critical discourse during the 1970s the question of "practice" was predominantly back under the aegis of theoreticians of Marxism and political ideologues. Thus, in one of the works of the indicative title "*Socialist Self-management Democracy as a Special Form of Dictatorship of the Proletariat*", future of the socialist development had been presented in the most optimistic tones in the assessment of self-management: "*It should be emphasized that self-management is not taught in courses but in the practice itself and in self-management self-relations*"; "*the obstacles that come from the remaining monopolistic-usurpatory tendencies will be removed by the steamroller of self-management that is growing and increasing its strength, and the appearance of personal indifference and indolence will be self-defeating*" (Hadži Vasilev, 1977, 43). The

high expectations of party ideologues and theoreticians of self-management did not fit the reality. It seems that “human nature” – inclined to experiment like self-management – equally expressed the obstruction of the ideas it advocated. In the twilight of the Yugoslav socialist state, sociologist Mladen Lazić concluded that Yugoslavia is governed by an elite composed of “*two strata of the ruling class*”: political leaders (senior class) and directors (lower layer of class). For Lazić, these social conditions – it was important to be “in position” – was the “system category”. In contrast to capitalism in which

the ruling class is continually acting under the rigors of spontaneous economic demands, i.e. market laws, and, structurally, it must obey in some way the instrument of these laws [...] in socialism, the ruling class assumed even the role played by spontaneous laws in capitalism. The ruler class is a full-time organizer, manager, planner, evaluator of the whole social reproduction (Danas, 18. 10. 1988, 36).

This observation of Yugoslav reality was diametrically opposed to the proclaimed principles of self-management as well as a market promoted by the specific Yugoslav model.

One of the recent studies of functioning of self-management in the real sector – ‘*Janko Gredelj*’, *the Rolling Stock Factory* – showed that the concept of “collective worker”⁹ simply did not function in its immediate base:

Analysis of the effects of blue-collar workers in the self-management bodies shows that they were not really managing the company. However, it is important to stress that those workers did not care so much to actually manage the Factory. Blue-collar workers were mainly interested in 3–4 basic issues: personal income, the question of housing, issues of labor resorts, business hours. They were primarily interested in improving their personal status and living standard, and the questions in the sphere of business were not their primary focus (Mihaljević, 2015).

The self-management steamroller did not function properly in solving the problem of differences and demands for professional skills or managerial posts within the self-management organization. According to one study from the 1970s, “*the percentage of senior management qualifications in economy does not correspond to the needs of modern technique, technology and organization*”; in 1970 the Serbian economy (similar situation was in other republics with the exception of Slovenia to some extent), “*40 percent of the managerial positions are held by people who do not have qualifications for such places. If the executive managers were to be involved, the percentage would climb to 60 percent*” (Čalić, 1975, 75). The reported data point out a serious

9 “Self-management means that a ‘collective worker’, that is, every individual as an integral part of a ‘combined staff’, participates in a certain way in organizing, controlling the work process, controlling its performance and deciding on the results of work” (Čalić, 1975, 81).

discrepancy in “social structures” and the general problem of distribution of “social power” within joint-work organization. Some studies have shown that the strategy of “*introducing self-management from the outside*” not only disallowed the articulation of workers’ interests and the elimination of conflicting interests but pointed out that “*the problem of egalitarian use of power is simply unsolvable*” (Županov, 1985, 12). Such observations can be linked to the current problems of employment of young qualified and educated people of post-war generations who protested due to their status and general social conditions in the state (in “rebellious” 1968 the number of students was around 200,000). In the same period, the emergence of “temporary work” abroad further weakened the Yugoslav economy; up to 1964 outside of the SFRY border 100,000 Yugoslav took temporary jobs, and in late 1973, almost four times more – 398,700 (Čalić, 1975, 105).

The problems of development of self-management were also related to the emergence of the so-called technocrats and technomanagers (tehnomenaderi). In the 1970s fight against this “social deviation” would become the mantra of the (self)-criticism of the ruling class. In the words of ideologically oriented theorists at the time, technocracy was the problem of influence of the alienated expert management who obstructed “*the essential elements of a self-governing decision represented in the dialectical unity of the goal and the way of achieving the goal*”. The research of some of the self-management theory experts at the beginning of the seventies revealed “*that the work unit exists and can realize its socio-economic role as much as it can decide on the overall conditions of its work*”; at the same time, it was observed that “*from the very first days of self-management, the alienation of producers from the whole of labor conditions empirically manifested itself as a demand for ‘delimitation’ of governing and management*”; the general problem of the relationship between “man and machine” and the relationship between technically trained and unskilled self-governed workers were apostrophised as technocracy deviation: “*Too often technocracy is characterized by any subordination to the demands of the immediate process of work. As if self-management is supposed to be saved from production!*” (Šeat-Lasić, 1972, 114–115). Tito himself often recalled the “*dangers coming from the bureaucrats and technocrats*” (for example, speaking in Sarajevo in 1969), warning that “*they want to take over the monopoly position, and to push ‘direct producers’ back to the position of rent workers*” (Pirjevec, 2012, 589).¹⁰

As a particularly problematic phenomenon for the ruling class was emergence of technomanagers, who, paradoxically, often came from the ranks of prominent socio-political workers. In the early stages of empirical monitoring of the development of self-management, such as researches conducted by the Department of Political and Le-

10 In later Tito’s public appearance, after 1971, criticism of anarcho-liberalism, elitism and the like had been added to technocracy (Pirjevec, 2012, 597). For example, in a speech on 30 September 1975 in Prijedor, he referred to the need to protect the working class from “*technocrats, profiteers and university professors who spoiled youth with the western ideas*” (Pirjevec, 2012, 595). Of course, it should be noted that the emergence of critically oriented intelligentsia would not be possible without Tito’s approval, which points to – essentially – ambivalent features of Titoism as a system of governance and social values.

gal Sciences of the Institute of Social Sciences in Belgrade, the phenomenon of technomanagers was not specifically recognized as a significant social deviation (Velimirović, 1962, 114–119). During the period of the liberalization of the 1960s, the “emancipation” of the director from the political elite has been registered and their transformation into a separate (“managerial”) group. While the sixties created the “*motivational basis for accepting the directors’ function by highly educated experts*”, after 1971, a “strong” antitechnocracy campaign was launched;¹¹ it “*reaffirmed the leadership function as a political function and returned our ‘managers’ as a group to the position of the ‘younger partner’ of the political bureaucracy*” (Županov, 1985, 13).

This general picture of intertwining of the “liberal-market” and imposed bureaucratic party-state concept of self-management was expressed in many critically oriented studies that were not deprived of national connotations and controversies. Thus, economist Hrvoje Šošić in 1970 raised the question of “financial capital”, bank control and lending – in particular the distribution of foreign exchange and the role of large export companies, such as Generalexport (Šošić, 1970, 111). The issue of import and export and the role of technomanagers in large companies such as Genex, Astra, INA and others was particularly delicate since the very outset of the Yugoslav foreign trade was linked to engagement of the Yugoslav secret services; furthermore, the leading posts were, as a rule, reserved for the prominent socio-political workers (Dedijer, 1984, 462–463). The emergence of Yugoslav products on overseas markets, with the central role played by managers, represented “*the possibility of all kinds of dirty business*”: The socialist market economy did not have “*the same control as a company in the West, which resulted in lack of discipline and despoilment, unseen in Yugoslavia since the time of Karađorđević. Companies irresponsibly borrowed everywhere and the state soon found itself in a major foreign trade deficit and had the highest rate of inflation in Europe.*” According to some data, Yugoslav managers have transferred substantial financial resources (\$ 4 billion) to overseas companies, and some used those funds to “*establish new companies under their own name*” (Pirjevec, 2012, 590). This trend will continue until the fall of the Yugoslav state and even after.¹²

An interesting example of the difficulties of application of self-management appeared in sports. After the adoption of ZUR in 1976 documents related to sports set up “*the foundations of self-managing organization so the working people in the joint-work directly master the entire activity in physical culture and sport*”; in particular, “*it was necessary to affirm amateurism as a basis for the development of sport and to overcome the tendencies of professionalism and to prevent privatization in the use of social resources*” (Kovačić, 2016, 70). The emergence of professionalism, especially in football – which

11 According to the Edvard Kardelj, SKJ was threatened to be “*separated from its own class base and to plummet to the level of an insignificant pendant of bureaucracy under the influence of managers*” (Pirjevec, 2012, 589).

12 Few years before the break-up of the Yugoslav state the Minister of Finance of Switzerland stated that the Yugoslavs had “*almost 13 billion dollars on the non-interest-bearing accounts of Swiss banks*” (Pirjevec, 2012, 612). Although he didn’t state about the origin of cash deposits (probably it included the savings of temporary workers abroad, firms etc.), some of these funds were linked to the financial malversations of the Yugoslav economic and political elite.

brought great financial resources, was a challenge to authorities who declaratively advocated “*overcoming technocratic relations and disabling technomanagers and commercialization of physical culture*”; in practice, the most prominent members of the political elite were the carriers of these tendencies.¹³ The existence of black funds, various financial malversations in club operations, and numerous affairs such as the bribing of judges, had little to do with the “*mastering of workers with expanded reproduction*”. As Kovačić concludes, “*the transformation of football professionals into joint-work has been slow or most commonly has not even come to life*” (Kovačić, 2016, 92).

Demands for the liberation of the economy from party patronage and the struggle against nepotism and corruption in the highest political and economic circles (which in the early 1970s had national connotations in Croatia and Slovenia) was not easy to distinguish from the general position of the managers within the liberal reformers ranks as well. As noted by Jože Pirjevec, the “liberal” managers were not immune to the challenges of prosperity under the auspices of the liberalization and market orientation: “*It is no coincidence that in 1971, when they saw the change, more than 130 directors fled overseas where they had ‘their companies’*” (Pirjevec, 2012, 590). The clash with the liberal reformists – which was presented as the struggle against technocracy as a self-managing deviation – did not stop corruption nor prevented the erosion of self-management. The consolidation of democratic centralism at the Second Party Conference in January 1972 and the proclamation of the proletarian dictatorship – which must “*rule on political planning and economics*” – was a blank letter on paper. In 1977, one year after the adoption of the ZUR, the SKJ working group and the Federal Executive Council found that in the previous year “*a third of all basic organizations of associated labor could not provide simple reproduction and did not achieve any dinar of accumulation*” (Pirjevec, 2012, 612).

One of the most concise observations of the key 1960s and 1970s was given by the American expert for Socialist Yugoslavia, Dennison Rusinow:

Reforms were quickly dropped by the politicians who only half-listened to their economic advisers, so they set it aside and left behind all that was hot, controversial but crucial issues such as – the allocation of former federal funds and liabilities. This problem of policy design was hampered by the poor and partial implementation of reforms, the inability of many companies to adapt to the changed rules and market conditions, and unfavorable trends on the world market at that time. The result was – enlargement and extension of the problems in the transition period to the new system. There was an increase in unemployment, a high inflation rate, taxes pulled out more than expected, rising emigration rates, general economic stagnation, and holes in the budget were scrapped only thanks to tourism and labor payments from abroad and only, therefore, there was no major disaster (Rusinow, 2012, 52–53).

13 Professionalism in football was accepted only for the highest degree of competition – the First Yugoslav National League, according to the *Social Agreement on the Basic of Self-management Organizing* (Kovačić, 2016, 72).

1980s – SELF-MANAGEMENT ENDGAME

Even prior to Tito's death in 1980, the hypertrophied communist apparatus did not represent a political force that could implement necessary social reforms and reconcile the increasingly apparent differences between the developed and underdeveloped sections of the country and the latent national antagonisms. On the top of the national confrontations, chronic economic inefficiency came to the fore; the deepening economic and social crisis put in question the very system of Yugoslav self-management socialist society.¹⁴ At the beginning of 1980s Yugoslavian economy started to face with severe internal and external conditions. International Monetary Fond claimed from the federal government to accommodate to the fact of extreme external debt, by reducing the costs of labor and diminishing public consumption (in 1991 Yugoslavia had about \$ 20 billion of external debt) (Rajšić, 2014). Actually, "*Yugoslavia practically went bankrupt in 1981–1982 because it was unable to pay back its foreign debt*" (Gligorov, 2017, 432).

Governments of Milka Planinc (1982–1986) and Branko Mikulić (1986–1989) renegotiated the foreign debt at the price of introducing the policy of *stabilization* which in practice consisted of severe austerity measures – the so-called shock treatment. And what effects did it have? In thirty-two out of the forty-two years between 1949 and 1990 the primary goal of all of the Yugoslav Governments in the annual economic resolution was external stabilization; and, as the economist Kiril Miljovski wrote in 1983, "*unemployment is a direct consequence of the idea by which every stabilization begins with restrictions in employment regardless of the effects for economic growth*" (Woodward, 1995, 223). Rising debts, unemployment, inflation along with the common erosion of any authority led to severe protests and series of strikes throughout Yugoslavia. During the 1980s, Yugoslav population endured the introduction of fuel limitations (40 liters per car per month), limitation of car usage to every other day, severe restrictions on the import of goods and paying of a deposit upon leaving the country (mostly to go shopping). There were shortages of coffee, chocolate, toilet paper, washing powder and so on. During several dry summers, the government, unable to borrow to import electricity, was forced to introduce power cuts. Throughout the country, inflation was causing unprecedented growth in prices, while legally preparing a field for economic reform. The general resentment and feeling of uncertainty led to a thorough re-examination of sustainability of the Yugoslav system.

A brief overview of the media in 1987 illustrates the political and social conditions in Yugoslavia which directly influenced the sustainability of self-management. Commenting the crisis in 1987 journalist of weekly *Danas* Jelena Lovrić notes that "*due to economic backwardness in comparison to Europe*" Yugoslavia "*has fallen to the low pre-war*

14 One of the leading Yugoslavian economist for that time, Slovene from Ljubljana, Aleksander Bajt, showed in his important analysis from mid 1980s that the performances of Yugoslav semi-market system were weaker than those performed in comparable Western and South European countries. Comparing efficiency of investments between Yugoslavia and countries like Portugal, Spain, Ireland, Greece and Turkey, he concluded that Yugoslav system showed the worst level of efficiency (Bajt, 1985).

branches”; she also points out that “*the ghost of inter-ethnic divisions circulates with Yugoslavia*” and that there is “*a deep gap of misunderstanding between leadership and peoples*” (Danas, 29. 12. 1987, in: Hrvatska revija, 1988, 84). The anti-inflation program of the government of Branko Mikulić promoted in November 1987 was probably the crudest attempt to curb the crisis. Measures were supposed to freeze the prices, limit earnings and spendings. In addition, devaluation of the dinar was carried out. Mikulić’s measures faced a sharp resistance, especially in Slovenia and to a lesser extent in Croatia (none of 120 points of Mikulić’s Anti-inflation program received a passing grade in Slovenia and Croatia). Freezing the prices for the purpose of curbing inflation was only partially implemented, reflecting the deterioration of living standards, especially within the poorest social strata. The particularly bad impact on social conditions had an inflation that reached 200% in 1988 (Ramet, 2010, 361).

The conditions of inflation, freezing of wages and other measures did not equally reflect on all social layers of the population. The *Danas* writes: “*It is obvious that inflation is beneficial for some, certainly for the etatisme and political bureaucratic structures*” (Danas, 24. 11. 1987, in: Hrvatska revija, 1988, 82). It also notes that “*there are 31,000 people employed in social and political organizations and in the entire fisheries sector only 4,750.*” There are 67,000 people employed in coal production and coal mines but only 15,000 of them are miners; all other were officials and semi-disabled. In self-managing interest communities, which are redundant, because they are parallel to state administration bodies, works 18,000 people, which is more than the number employed in coal mines. In all republics and provinces, except in Croatia, Slovenia and partly in Serbia, there are more employees in social-political organizations than in scientific research. According to some estimates, there was approximately 30% more bureaucracy than needed on the Yugoslav level (Tanjug, 20. 10. 1987, in: Hrvatska revija, 1988, 83). Sociologist Slaven Letica notes that the social conditions in Croatia led to a deep social rift in certain social structures: “*There are a few people who, in terms of reputation, power and money (usually one goes with other) stand out. These are various managers, political and diplomatic elites, people from the show business, a part of scientific workers.*” Letica estimates the number of privileged social layers at 15,000 to 20,000. On the other hand, “*there is about 700,000 chronically poor, the people without any chance to improve their position, they have very low income and social status*” (Slobodna Dalmacija, 29. 6. 1987, in: Hrvatska revija, 1988, 81).

Such a political, economic and social conditions had to reflect the functioning of the self-management. According to the original idea, all social problems should be addressed in self-management organizations – “*all power derived from the working people*”, but it was rather “*clear – even to the children – that self-management does not work if it has ever functioned*” (Danas, 18. 8. 1987, in: Hrvatska revija, 1988, 85). The more pressing economic problems hit hardest the workforce which increasingly showed their dissatisfaction. *Danas* paraphrased a popular slogan “*Comrade Tito, we swear to you we will never get off your way*” into “*Comrade Tito, we swear to you that we can not do this anymore*” (Danas, 17. 11. 1987, 21). The workers’ problems became apparent especially in the outbreaks of many strikes which clearly manifested the crisis of the entire self-

-management system. *Danas* warns that in the period from 1982 to 1986 the number of workers' protests increased from 83 to 383 (in Croatia from 65 to 120 protests) (*Danas*, 22. 12. 1986).

Theoretically, the phenomenon of strikes in Yugoslavia was absurd (if they occurred they were qualified as "the stoppages of work").¹⁵ De facto, strikes were not in accordance with the Constitution and the Law because workers as self-managers were actually the owners of factories and social property, so it seemed meaningless to strike against themselves. Yugoslavia signed Convention of the International Labor Organization moreover according to which the strikes were supposed to be the legal way of expressing dissatisfaction but in Yugoslav case strikes were absurd. As notice in *Danas* "It is remarkable that the Unions in Croatia – who have lost contact with the working class a long time ago – have even expressed the view that striking right should not be regulated by the law because it is inappropriate to the essence of our constitutional system" (*Danas*, 18. 8. 1987, in: *Hrvatska revija*, 1988, 85). As labeled by one of the participants of Labin miners strike in the spring of 1987 this gap between the theory and praxis and the state of constant confusion with no clear idea how to improve the conditions meant "the beginning of the end" (Lowinger, 2010, 65).

During the 1987 around 1,500 strikes took place in Yugoslavia and about 250,000 workers were participated (*Tanjug*, 22. 12. 1987, in: *Hrvatska revija*, 1988, 85). This trend continued at the even greater intensity in 1988. Waves of strikes that were held in continuity in the first half of 1988 had its peak in a strike of workers of the "economic giant" of Borovo, which employed more than 22,000 workers (*Hrvatski državni arhiv*, 2018). Affected by inflation and savings measures as well as announcement that thousands of workers who make "technological surplus of employees" will be fired they decided to strike (Filipović Grčić, 2015).¹⁶ After the protest in Vukovar in early July 1988, workers of Borovo went to Zagreb and finally went in large numbers to the Federal Assembly of SFRY in Belgrade, demanding their rights and acceptable social changes (Ivčić, Nekić & Račić, 2014, 6–23; Cvek, Ivčić & Račić, 2015, 7–34; Lowinger, 2010, 79–91). The Belgrade protest was one of the most massive statements of workers' dissatisfaction in the history of Yugoslav socialism and showed the defeat of economic and social policy based on ideological rather than real economic parameters. The fact that workers were formally the "owners" of Borovo and that they were supposed to make decisions as self-managers simply didn't mean anything. In short, Yugoslavia was rapidly declining due to its controversies. In this context, it is interesting to note that despite the parallel emergence of nationalism, workers in strikes expressed their workers' solidarity irrespective of nationality. In a study on social upheaval in Yugoslavia in the 1980s, Jake Lowinger showed that among the workers on strikes "interethnic cooperation in Yugoslavia was not only thinkable but quite normal" (Lowinger, 2010, 144). According to Lowinger as well as to some other studies

15 According to another source, the number of striking participants from 1980 to the end of August 1988 was 211,367 (Jovanov, 1989).

16 By 1990, the number of workers declared "technological surplus" was 6,000.

conducted in Croatia “as much as 93% of the strike reports as a cause of the strike initiate problems related to wages, followed by management problems (64%) and cost of living (37%). Only 1% of all reports mention national tensions” (Lowinger, 2010, 41; Ivčić, Nekić & Račić, 2014).

Gradual abolishment of the self-management system started by the end of 1988 when federal government under the leadership of new Prime Minister Ante Marković came in the power. Forced with the challenge of radical reforms Marković gave top priority to a privatization of public-sector firms by an introduction of capital markets and other economic institutions associated with the notion of capitalism. By 1989, the Law on Changes and Amendments to the Enterprise Act on July 7, 1989 – written to encourage foreign investments, gave managers full rights to hire and fire labor and practically erased the system of self-management. One case study on factory Borovo reveals how self-management cease to exist. The collapse of the self-management could be illustrated with headlines in *Borovo journal*: “Working in Exceptional Circumstances” (Borovo, 18. 3. 1988), “No employment” (Borovo, 30. 6. 1989) and “Who needs self-management?” (Borovo, 14. 10. 1988) (all quotations from Borovo journal in: Cvek, Ivčić & Račić, 2015, 20). The degradation of self-management clearly manifested itself in the inability of the Workers Councils to influence any major decisions.

The members of the workers’ council complained that the director orders overruled their decisions, leading to a question of the sole meaning of their work. Business and salary discussions took place at Workers Councils, although these decisions have already been made outside the self-management circle. The new registration of the Borovo as a complex enterprise on July 1, 1989, and the adoption of the “Law on Enterprises” from July 1989 practically meant the elimination of self-management and strengthening the power of business management. The executives switched their managing status from “coordinator” to “control function”. Workers’ Council was exempted from the decision-making process. It is interesting that this change was presented as “the ultimate range of self-management”. This also points out another paradox. While legislative changes actually abolished the self-management at the same time it was presented as a mean of legitimacy. Self-management, in which the various structures of authority were called upon, actually became emptied of its original meaning (Cvek, Ivčić & Račić, 2015, 20).

ECOMONISTS VS POLITICS IN 1980s – CONTEMPLATING ON THE DESTINY OF SELF-MANAGEMENT

One of the most interesting examples of a critical relationship to the problems of socialist self-management was the work of economist Branko Horvat. Horvat was a chronicler and analyst of self-managing socialism. As a convinced socialist, he deeply believed in the feasibility of socialist ideals, primarily in a socialist democracy, closely related to functional self-management: “Accurately speaking, self-managing – or associative – socialism is a pleonasm; because either there is self-management or there is no socialism” (Horvat, 1976, 144). As an advocate of self-management, he was one of the sharpest

critics of the political system, which, according to his judgment had led to stagnation in 1968, and then to the intense collapse of self-managing socialism. When “*after two years of futile struggle he realized that he could no longer act effectively as an economist*”, at the end of 1970 he resigned to all his functions. Horvat considered that was a critical period for self-management development: “*The Federation started to break up accompanied with economic and political irresponsibility instead of democratizing the country and its orientation towards political freedom and the rights of citizens*” (Horvat, 1989, 5). Nevertheless, he joined a group of economists – who at the invitation of the Federal Executive Council – did another, “*the last attempt to prevent the destruction of the economy*”. The result was a memorandum under the title of *Economical Function of the Federation*, popularly called *The White Book* (the document was based on the ideas applied by the late 1980s).

However, the economic analysis of experts has been neglected. In Horvat’s words “*a system known as the negotiating economy as a correlation to the etatisme-conceived system was invented in Brioni*”. After the fall of Croatia’s spring and the “liberals” in Serbia, repression has been re-introduced in the country since 1972. Pro-reform and pro-democracy oriented party members as well as the ordinary individuals – especially from the ranks of humanistic intelligentsia have been disrupted and exposed to repression. As an economist, Horvat warned, “*that the country was pushed to the path of disaster*”. After the reaction of the Public Prosecutor’s office, his activities at the University were suspended. When “*it became clear that the destructive forces are so strong that nothing else is to be done*”, he is decided to go abroad. However, he does not give up on the idea of socialism. He travels around the world and visits – “*practically every country where something important in connection with socialism was tried*”: “*I wanted to find out where socialism went wrong, is it possible and how to achieve it?*” (Horvat, 1989, 5).

In his 1980s works, which, thanks to the openness of Yugoslavia, enabled a broad comparative insight into contemporary trends in economic science, he articulated the multidisciplinary – even philosophical – reflection on socialism. The result of his broad research was the book *Political Economy of Socialism*, published in 1982 in New York and Oxford, and just two years later in Zagreb (Horvat, 1984). At the suggestion of the American Society of Economists, Horvat’s book was nominated for the Nobel Prize in 1983. Although his work was not finally awarded, the book was proclaimed in America as a book of the year (Grčar, 2016). In his book, he came to the conclusion “*that this socialism could not be taken as a historical failure – because there was no socialism yet. Under the name of socialism, the etatism and the omnipotence of the state were concealed, and that is exactly the opposite of socialism*” (Horvat, 1989, 6).

In *ABC of Yugoslav Socialism* (1989) Horvat exhaustively referred to the key problems of non-functioning of self-management, proving that the Yugoslav political elite with its ideological approach actually destroyed the system that was invoked:

On the basis of the 1974 Constitution and the ZUR, Yugoslavian companies were broken down into constituent parts. Like so much in the short history of the Yugoslav state, this has been done through violent methods. No expert critique is tolerated.

Scientists were not allowed to talk about the problems, and anyone who warned of the consequences was proclaimed an enemy. At the time of this incursion on the enemy, I publicly asked to give me the title of a worthy enemy of Yugoslavia. This request is still not out of date. Those with managing functions who opposed the destruction of their companies were punished by the Party and removed from their positions as 'technocratic-elements' (Horvat, 1989, 31).

As the curiosity of the government's relationship to economic science which wanted to study self-management, Horvat illustrates with the case of an attempt of registration of the International Organization for the Economy of Self-Government in Dubrovnik in 1978. The Secretariat of Internal Affairs in Zagreb denied the registration "*with an explanation that such associations cannot be registered in Yugoslavia*" ("*After that, it almost happened that the self-management association was registered in Switzerland!*"). As another curiosity, Horvat states that a Ph.D. program in the economics of self-management could be enrolled at Cornell University in America, but not at the University of Zagreb. Concerning the relationship of authority and science towards self-management, Horvat concludes: "*So, instead of scientifically based socialist self-management, we got political vulgarization expressed in ZUR and other regulations and in political practice that led to self-management to the point of discrediting*" (Horvat, 1989, 25).

In the context of the "Western" interaction, which in the case of Croatia has a particularly great significance in the process of the dissolution of Yugoslavia and the establishment of nation-states in the 1990s, it is interesting to note the perception of the situation in Yugoslavia in the press of political emigration.¹⁷ The most prominent Croatian magazine for culture *Hrvatska revija* – along with a wealth of information on the state of Yugoslavia and social turmoil (in this context and self-management) – also provides detailed information on the activities of Croatian and Yugoslav media and public engagement of intelligentsia. It is also noted that there are many proposals for exiting the current crisis in Yugoslavia. Those propositions ranged "*from the idea of strengthening the Federation and its center in Belgrade what would bring the more efficient economic growth to the demands for reforms which would introduce free market with pluralistic differences in individual republics*" (*Hrvatska revija*, 1988).

As one of the later proposals, Review writes on the program of "*two prominent Croatian economists, Slavko Goldstein, and Marijan Korošić*" (Danas, 1. 12. 1987). "*This is a public outcry of two intellectuals in the Zagreb weekly newspaper Danas, which attracted great public attention and challenged a number of critical reviews of prominent socio-political workers*". As *Hrvatska revija* transmitted, Goldstein and Korošić advocate

17 Information in the emigrant *Hrvatska revija* (Croatian Review) – used in this paper as a source can be seen as a kind of chronicle of economic and social crisis based on Yugoslav and foreign media monitoring. Of course, the *Hrvatska revija* author's positions are determined by national, anti-Yugoslav and anti-communist premises. Nevertheless, by comparing the writings in the *Hrvatska revija* and the original Yugoslav media contributions, it can be noticed that the information are largely faithfully transmitted, albeit with ratings and comments corresponding to the political and ideological position of individuals and organizations to which they belonged.

an open economy with great opportunities for private individuals, various types of property, the release of exports and imports of all bonds, the suspension of work on the change of the Constitution, the establishment of a temporary government with special powers for a transitional period, the development of Republican pluralism in the economy and politics, the abolition of the Fund for Underdevelopment and the establishment of the Bank for Development, the departure from the poor Third World and the approaching of the European Community and abandoning the Alliance of Communists from the role of the 'ruling party' to become the leader in the development of multi-program / pluralist / socialist democracy (Danas, 1. 12. 1987).

When it comes to self-management, Korošić and Goldstein did not propose an explicit rejection of self-management and social ownership but indicated the possibility of affirming parallel private and entrepreneurial ownership in Yugoslavia.

Such suggestions evoked “*greatly approving and even more rejection, especially from ideologized party specialists*”. Predrag Tošić named the concept of Goldstein-Korošić’s “*unconstitutional*” and “*the escapade*”. (Vjesnik, 20. 12. 1987, in: Hrvatska revija, March 1988, 84). Zdravko Tomac accused them of “*suspending the constitutional system in an unconstitutional way*” (Danas, 8. 12. 1987, in: Hrvatska revija, March 1988, 84). Dragutin Kosovac, from Bosnia and Herzegovina, and Stipe Šuvar from Croatia, “*attacked the ideas of two Zagreb economists as a return to capitalism*”, not mentioning their names. Foreign Secretary of Foreign Affairs, Nijaz Dizdarević, characterized the possible linking of Yugoslavia with the European Community as the way to the loss of independence and sovereignty (Danas, 15. 12. 1987, in: Hrvatska revija, March 1988, 84). Approving voices came in private and public discussions, and in readers’ letters in some newspapers. Korošić’s proposal “*that the SFRY Assembly immediately abolish the Law on Associated Work (not social ownership and self-management as such) was greeted at the traditional gathering of Yugoslav economist in Opatija*” (Vjesnik, 6. 12. 1987, in: Hrvatska revija, March 1988, 84). Following the line of Korošić’s criticism, one of the participants, Mladen Kovačević, referred to the state administration: “*SIV is constantly claiming that we need more markets and less administration. On the other hand, the same institution is reinforcing the administration*” (Vjesnik, 6. 12. 1987, in: Hrvatska revija, March 1988, 84).

Despite the resistance of conservatives who had no ideas about how to approach the problems, the proposals of the experts gained more attention. For his analysis and proposals of social changes, Marijan Korošić was awarded the Nin Prize in 1988 for his book *Yugoslavia in Crisis* (Korošić, 1989). Analyzing the crisis that upsets the Yugoslav economy, Korošić provided “*a comprehensive analysis and synthesis of trends and situations in the Yugoslav society of the eighties*”; the key thesis was to reject the supremacy of the politics over the economy, to seek solutions in “*radical changes*” – “*complete market solution*” and “*open economy strategy*” (Korošić, 1989, 337). For Korošić, “*the independence of economic subjects derives as a necessary consequence of social ownership and self-management*”; moreover, “*economic freedom is a guarantee that solutions to self-management organizations are made on the basis of rational cost and*

revenue calculation, i.e. on a market basis.” In his analysis, Korošić also expressed one “Friedmanian” idea (related to bonds between individual liberties and open market) according to which “*the development of associated labor organization must be parallel to the development of workers as independent creative creatures*” (Korošić, 1989, 215–216).¹⁸ In analyzing the preconditions of the survival of the Yugoslav social system (and the state), Korošić conveys the relevant global anticipations of John Naisbitt about the importance of economic and social forecasting – an attempt to observe “*what is already happening*” (Naisbitt, 1982, 346–347): “*The key is in understanding the present. The present determines the future. That thought could be for us too decisive*”¹⁹ (Korošić, 1989, 346–347). Despite the apparent influence of current trends – the West defeated the East – Korošić kept the idea of sustainable self-management adapted to the needs of radical social and political reforms.

All of these discussions clearly indicated that the very foundations of the existing model of self-managing were shaken. Regardless of the different views on the sustainability of self-management, it was quite clear that getting out of the crisis cannot come without radical social and political changes. As noted, initial changes have taken place following the reform efforts of the last Yugoslav Prime Minister Ante Marković. Marković managed to cope with the inflation and began to implement the preconditions for introducing market relations, which implied the redefinition of social property. Of course, that had direct repercussions on self-management. The chief architect of the law which de facto abolished social ownership in 1989 was a professor from the Zagreb Law School and academician Jakša Barbić. Barbić pointed out the necessity of introducing changes, arguing that the concept of social ownership has become unsustainable:

We had social ownership, in which nobody knew who the owner was. According to the definition in the Constitution, a property of social ownership belonged to anybody and to nobody. This was a legal absurd that cannot be understood, something that is legally unsustainable. By the Constitution, the workers realized the right to work with social resources, the right to dispose of these resources and on that basis; they were self-managing where they worked. The whole system was based on this concept, everything was carried out from it.

Barbić also pointed out that a “*state always could invade to protect social ownership through politics because the Party had decided to appoint directors (managing body) or through a social ombudsman who could intervene if there was a violation of social property and self-management*” (Radoš, 2013).

18 Of course, Friedman had different views on the relationship between liberty and the economy, which will be presented in the final part of this paper.

19 Korošić’s use of Naisbitt’s analysis referred to the necessity of fundamental changes at the time, which, according to the movements of the (modern) era, appear to be the metamorphoses of “*industrial to the information world*”.

Gradual suspension of self-management opened a space to a various interpretation of the concept of privatization of the social property. In that context, an interesting view on Yugoslav self-management gave one of the most prominent promoters of liberal capitalism, Milton Friedman. Friedman was known as the father of the so-called the Chicago Monetary School. He was considered a political conservative and radical advocate of neoliberal economic doctrine. He strongly supported an open market as the basis of individual freedoms and considered “socialist democracy” utopia: “*No socialist society can be free in the sense of individual freedoms*” (Friedman, 1992, 19). Although he criticized the efficiency of socialist economics, he believed that – thanks to self-management – Yugoslavia had the best prospects for a successful transition after the fall of the Berlin Wall. In the period of worst crisis in Yugoslavia and searching for its solution he gave four interviews to Drago Baum which were published and commented in *Privredni vjesnik* in the period 1989 till 1991 (Privredni vjesnik, 3. 2. 1989; 13. 2. 1989; 15. 1. 1990; 11. 6. 1990; 1. 8. 1990; 1. 10. 1990). It should be stressed that Friedman new Yugoslavia very well. As mentioned previously he had visited Yugoslavia for a couple of times (in 1962, 1973 and 1979, only a year before Tito’s death). He also had an excellent insight in the global economy since he had been working on comparative studies of USSR, Yugoslavia, Israel, Japan etc., especially monetary policy studies and he was considered one of the worldwide inflation experts.

On the eve of the new years of 1990 and 1991, the most exposed topic was privatization. Friedman did not go into detail how to conduct this sensitive operation, but he predicted with incredible precision what would happen if the privatization and the social transition go a wrong way. The most important thing is that Friedman repeatedly expressed the view that system of self-management was a comparative advantage of Yugoslavia in social transformation and privatization simply because it was connected with the concept of social and not the state property as in other socialist countries. He said: “*Today’s system of self-management rights, disregarded its limitations, has created better conditions than in another socialist country. Your workers already have certain rights over the company, some kind – as he put it – of truncated property.*” In his opinion

It just needs to be transformed into a right, transferable property. Every worker now entitled to a fair share of income would receive the same proportional share in the stock. [...] This would, however, fulfill the key condition, that is, the conversion of the right over the means of production to private property. I think this is the simplest way for Yugoslavia, as this conversion would have to be done for every company, especially, for example, for every republic, for the whole country, as we have said when considering the situation in other eastern European countries. You simply have to acknowledge the current rights of workers as private property with all attributes, including the right to transfer. If this change would be done clear and swift it will not cause any disruption (Gavrović, 2016, 188).

When asked what he thinks about social property going back to the state, to be privatized later, Friedman replied

It's very dangerous and it needs to be avoided. [...] It must not go backward, but in advance, both quickly and radically. To anyone who asked me, I answered that my advice is only three words: privatize, privatize, privatize! It is important that you privatize as soon as possible and as quickly as possible, and less important how you will do it. If you spend too much time, you will be confronted with people who have acquired rights and positions and who will come to power, and you will hang in a situation like in Latin America. I do not believe that communism will return, but there is a great danger of Latin American degeneration, with all the known consequences (Gavrović, 2016, 191).

The same opinion was shared by other American Nobel prize winners, as shown at the privatization conference, which was held at the Hoover Institute at Stanford University in June 1991. A representative of Yugoslav Prime Minister Ante Marković's at that gathering, dr. Dragomir Vojnić witness on the occasion:

The first and most important thing to have been advised to us is that we do not convert social ownership (related to self-management) into the state because it is a step back and not forward. And this was exactly what became the basic stone of privatization in Croatia. Americans assured us that we already have a sort of capitalism but without capitalists. In Yugoslavia, workers and other employees were at the same time producers and managers and capitalists. They are, in fact, some quasi-owners (Gavrović, 2016, 191).

In Croatia, many economists (in vain) represented the same concept as Friedman and other American experts. They argued that property should be shared, and their only dilemma was if it should be shared only to employees in companies or to all citizens (who were legally the owners of all public property). Friedman advocated both solutions. In his words, in Yugoslavia “*social ownership was an advantage given to workers, while in other eastern countries, where there was no self-management, he advocates share among all of the citizens*” (Gavrović, 2016, 192).

In the critique of privatization, one of the loudest intellectual in Croatia was Branko Horvat, otherwise “the complete Friedman's antipode”. Contrary to Friedman who advocated the idea that without private ownership there is no market Horvat radical supporter of self-management and social ownership. Horvat didn't see a private property as an essential issue but merely the market orientation. “*Who, for example, is the owner of large American companies with millions of shareholders,*” he asked, proving that even in the most capitalist of all capitalist countries, private property is already part of the past. According to him, in market conditions, self-management of social property should not be less efficient than private ownership. When speaking on sustainable self-management Horvat called upon “*associations of self-employed companies in various countries, particularly legislation in some US states, and dozens of ESOP (Employee Stock Ownership Plan) companies in the United States, to an extremely interesting and highly efficient integrated system of seventy cooperatives 'Mondragon' in Spain, numerous individual attempts worldwide, etc.*” (Horvat, 1990, 40).

Even after the demise of Yugoslav socialism, Horvat remained faithful to the idea of self-management. He consistently sought to annul the privatization and return the property to the workers:

If the self-management company works well, let it go. Why do the government and politicians think they could overtake the property they did not create? It is important that there is competition and that the economy is separate from politics. Then democracy is functioning. We have been fighting etatism and state ownership for 45 years, and now we have the most recent etatism. Everything has been done so the people in the government seize as much social property as possible (Horvat, 1990, 40).

CONCLUSION

The system of Yugoslav workers self-management was a political, social and economic experiment which developed in between the capitalist West and the Communist East. After the Tito and Stalin split in 1948, Yugoslavia opened up to the West and its influences. One of the important consequences of this turning point was the gradual alleviation of rigid Party's control; exposed to the Western influences and supported by the idea of self-management intelligentsia will develop a certain critical discourse unimaginable in real communist states. The self-management became the origination of development of Yugoslav society and at the same time a subject of a study and social criticism. The latter led to the constant friction of the ideology and critical thought, party bureaucracy and liberally oriented intelligentsia. Despite the initial idea of transferring authority to the working class, the central role was played by the "social avant-garde" – the Communist Party, and Josip Broz Tito as supreme arbitrator and authority. Tito epitomized Yugoslavia and unified all the most important political, state and military functions.

Within these ambivalent frameworks, a distinctive idea of socialist democracy based on self-management (future non-party system) emerged and evolves with ups and downs over four decades. Self-management was associated with the concept of social ownership, as opposed to state ownership in the East and the private in the West. From the vision of Edvard Kardelj's "*autonomous socialist communities – whether a village-based cooperative, a commune, or an organization of associated labor (in the same time a workplace and unit of account)*" – self-management arose to an extremely complex political and social system. In political sense, self-management institutions "*were linked by representation in assemblies and the party hierarchy*" and economically they presented associations of autonomous producers "*who were linked partly through the hierarchy of the banking system and monetary control, and partly through cooperative contracts*" (Woodward, 1995, 172). From its beginning, all those forms and aspects of self-management showed complex structural problems; partly due to the experimental nature of self-management and predominantly because of constant ideological pressure of Communist party apparatus and state bureaucracy.

In its liberal phase in the 1960s, self-management became a powerful generator of promoting freedom of expression in all areas of intellectual activity. Due to the openness of Tito's Yugoslavia, many intellectuals from Yugoslavia and – predominantly – Western countries had the opportunity to cooperate, exchange opinion and analyze the phenomenon of self-management. This resulted in the development of various forms of social criticism which followed the development of the Yugoslav self-government society despite the party's watchful eye and the occasional punishment of the misfit individuals and groups. After the defeat of Communists who advocated liberal and national reforms (1971–1972), the seventies brought the stagnation, and then the gradual collapse of the self-managing system. Paradoxically, the same period was marked by the key legislative reforms of the Yugoslav self-government society (the 1974 Constitution and the 1976 Associated Law Act), initiated and implemented by the party's top. Instead of development and consolidation of self-management, a giant bureaucratic apparatus had made it a dysfunctional and impracticable project. Actually, endless reforms of the system balanced in between politics and economy while the erosion of economic and social conditions was becoming a constant trend.

The death of Josip Broz Tito in 1980 – the main integrative bond of Yugoslav society, coincided with the sharpening of political and economic antagonisms that ultimately proved to be fatal for the survival of the state itself. In the eighties the self-management system broke down due to the inefficiency of economy and incapacity of the political elite to conduct necessary reforms; the supposed leading role of the working people turned out to be an endless transfer process which actually turned the idea of “permanent revolution” into the reality of the “permanent crisis”. In the society in which every member had the right to work, unemployment and mass migration became the reality of everyday life and a clear indicator of a gap between the ideological projections and common praxis of self-management. Finally, the severe crisis steered social unrest and national confrontations which led to a dissolution of the state itself. Nevertheless, the last decade of Socialist Yugoslavia was also a very fruitful period of engagement of intellectuals who wanted to contribute to the resolution of the Yugoslav crisis. In this context, many new interactions of Western influences emerged which in the intellectual plan questioned the sustainability of Yugoslav economy and self-management system: a capital work on the political economy of socialism by the economist and promoter of self-management Branko Horvat was nominated by the most respected American economists for the Nobel Prize; the consideration of Croatian intellectuals Marijan Korošić and Slavko Goldstein about introducing an open market and promoting political pluralism attracted attention not only to the Yugoslav public but also to foreign circles and even political emigration; the last Yugoslav Prime minister Ante Marković was seeking exit from the crisis in co-operation with leading American economists; in the critical period of the Yugoslav society in the late eighties, the debate on the model of economic and social transition was joined by the famous economist Milton Friedman.

Although all of these vivacious intellectual activities focused on self-management will soon be suppressed by the rise of nationalism and the dramatic events culminating in the collapse of the Yugoslav state, they testify to the peculiarities of the Yugoslav

social experiment: due to the ambivalence of the “liberal-dogmatic” nature of Titoism, the problems of the development of Yugoslav self-government have been followed by a critical thought. In today’s conditions of doctrinal vacuum and search for sustainable political, economic and social modalities of a globalized society, Yugoslav experience is not without significance. In a sense, the hybrid Yugoslav economic model represented the syncretic historical predecessor of a contemporary Chinese doctrine in which the market and entrepreneurship emerge as regulators of economic relations, alongside the central political function of the communist party and the state (though, unlike modern Chinese liberal economy, the Yugoslav model of the market was based on the sublime concept of a negotiated economy, associated labor, and social ownership). Nevertheless, the legacy of the Yugoslav socialist society based on self-management can be considered as an interesting intellectual heritage – a specific form of the competent culture of dissent within the communist society. In that context, the scientific contributions in the fields of sociology, economy, politology, and philosophy even nowadays present not only historical sources for studying Yugoslav history, but also a valuable heritage relevant for considerations of future forms of economy and social stratification.

SOCIALISTIČNO SAMOUPRAVLJANJE MED POLITIKO IN EKONOMIJO

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POVZETEK

Članek se osredotoča na jugoslovanske politične, ekonomske in socialne razmere ter diskusije o sistemu samoupravljanja od petdesetih let dalje, s poudarkom na obdobju po smrti Josipa Broza Tita leta 1980. Uvodni del članka vključuje pregled relevantnih vidikov samoupravljanja do leta 1980, ko je poslabšanje političnega in gospodarskega položaja na Hrvaškem in v celotni Jugoslaviji sprožilo odzive uglednih intelektualcev, ki so se lotili analize perspektiv jugoslovanskega ekonomskega modela. Ob kratki genezi samoupravljanja je predstavljena tudi njegova percepcija tako v Jugoslaviji kot na Zahodu in z zgodovinske perspektive podana ocena o dediščini tega sistema. Pri tem je posebna pozornost namenjena analizi zahodnih vplivov kot posledici odprtosti Jugoslavije po sporu med Titom in Stalinom. Članek v svojem jedru prikazuje analitične prispevke vodilnih mednarodnih in hrvaških strokovnjakov kot so bili Milton Friedman, Branko Horvat, Marijan Korošić, Slavko Goldstein in drugi, ki so se ukvarjali s perspektivami jugoslovanskega modela tako v času njegovega nastajanja kot v zadnjem obdobju obstoja socialistične Jugoslavije.

Ključne besede: samoupravljanje, socialistična Jugoslavija, Josip Broz Tito, Edvard Kardelj, Milton Friedman, Branko Horvat

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