

HCC

FEDERAL EXECUTIVE COUNCIL
OF YUGOSLAVIA



BESTAMUN 25'



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1.3. Letter of the Under Secretary General

Distinguished Members of the Federal Executive Council of Yugoslavia,

It is an honour to serve as your Under-Secretary-General BESTMUN'25. My name is Bora oğuz. I'm a fourth-year International Relations student at the Middle East Technical University. I hope you will be as delighted as I am to be a part of this conference.

In this guide, you will find a very specific explanation of the most complicated era of the Yugoslav History. You will have to maneuver in the Cold War atmosphere while trying to solve the issues the Socialist Federation of Yugoslavia faces such as ethnic tensions and civil unrest.

I want to thank the BESTMUN Secretariat. Furthermore I want to thank the whole Academic and Organisation Teams for their hard work putting together this conference. Lastly I want to thank my Academic Assistants Can Öktem and Civan Erdoğan for helping me throughout this process and this committee wouldn't have been possible if it wasn't for their efforts.

Lastly, please do not be afraid to contact me via my e-mail address, bora.oguz@metu.edu.tr for any and all questions you have.

My Kindest Regards,

Bora oğuz

Under-Secretary-General

1.4. Letter of the Academic Assistant

Distinguished Members of the Federal Executive Council,

My name is Civan Erdoğan, I am an 11th grade student in METU High School, and I will be serving as your Academic Assistant for this committee, which will simulate the Yugoslav Federal Assembly in 1974. In a tumultuous period marked by various international and national issues, ranging from economic struggles to interethnic tensions, your task will be to steer the country towards happiness and prosperity, and preserve peace and order. After much hard work, it is with great pride and pleasure that we present this committee.

Before delving into the problems Yugoslavia faces, I would like to express my sincere gratitude for some very special people, for their invaluable contributions. First and foremost, I would like to thank my Under-Secretary-General, Bora Oğuz, and my fellow Academic Assistant, Can Öktem. Nothing regarding the committee would have been possible without their labor, and I am very grateful to have worked with them during this exhausting process. I would also like to thank the Academic and Organization Teams of the conference, as they provided us with the priceless opportunity to create this committee. A very special thanks (even though it is not a person) also goes to the METU Library, for providing me with the sources and environment I needed to tackle my task.

Moving on to the topic at hand: The year is 1974, and the Yugoslav nation is in dire straits. The country's constituent republics feud with each other over resources. Market socialism, as a new economic system, has had mixed results, and different classes demand different policies. Disputes between nationalities risk resurrecting centuries-old grievances, and threaten the very core of Yugoslavia, "brotherhood and unity". On top of all of these problems, the Cold War is another fact of life. The globe is split in two, and Yugoslavia has to pursue a balanced foreign policy, making sure to keep relations amicable with both blocs. As

the members of the Federal Executive Council, you must work together to solve these issues, or face the possibility of national crisis.

For your convenience, we have prepared a quite comprehensive study guide. I strongly recommend that you read it in full, as it will certainly be of great assistance to both your understanding of the situation at hand and your performance in the committee. If you have any questions, especially regarding the historical background, please don't hesitate to contact me via my e-mail address: civanerdogan1@gmail.com. I assure you that all of your questions will be answered, in detail.

Sincerely,

Civan Erdoğan

1.5. Letter of the Academic Assistant

Distinguished Participants of the Historical Crisis Committee,

My name is Can Öktem. I am a 9th grade student in Beştepe College, and I will be serving as your Academic Assistant for this committee. We will be putting ourselves in the shoes of members of the Federal Executive Council of Yugoslavia. You will be trying to save the Socialist Federal Republic of Yugoslavia from the issues it experiences such as the economic crises and ethno-religious tensions.

Before further talking about the Agenda Item, I would first like to express my thanks to a few special people. First and foremost, I would like to thank my Under-Secretary-General, Bora Oğuz, and my fellow Academic Assistant, Civan Erdoğan. This committee wouldn't have been possible if it wasn't for their efforts and I am so grateful for being able to work with them. I thank the Academic and Organisation Teams for making this conference possible. I would also like to thank a few people that made my MUN journey special, Mert Özcan, Oğuz Tuna Yörür, Fatma Göknur Engin and Kemal Tuğra Akçan. Lastly, I thank the entire BESTMUN Family.

Moving on with the Agenda Item, Yugoslavia experiences most of the problems that eventually lead to its breakup around or after the year 1974. The disputes between Republics and Provinces, the rising tensions amongst different groups and the succession after the Grand Marshall Tito. While solving these problems, you also have to make sure that you retain a balanced foreign policy to not get caught in the storm that we call "The Cold War".

Please do not hesitate to ask any question you have about the committee to me or the other fellow academic members of our committee.

Sincerely,

Can Öktem

2. Historical Background

2.1. The South Slavic Movement and the Kingdom of Serbs, Croats and Slovenes

The destruction of two great empires, the Ottomans and the Habsburgs, was necessary for the formation of Yugoslavia, via the declaration of the Kingdom of the Serbs, Croats and Slovenes in 1918. The Slavic tribes which had settled south of the Danube had diverged from each other over a long period of time, starting with Byzantium winning the Serbs for Orthodoxy, while the Croats and Slovenes submitted to Rome. The Ottoman victory at Kosovo Field in 1389 completed the separation, dealing the *coup de grâce* to the Serbian Empire. Thus, Slovenia and Croatia fell under Austrian domination, while the Turks occupied Serbia and Bosnia-Herzegovina. By the end of the Napoleonic wars in 1815, both empires were lagging behind in the race for modernization. The Ottomans were pivotal for the European balance of power throughout the 19th century, and the first revolutionary movements had their early successes in their possessions. Through a series of rebellions, Serbia managed to win itself the status of an autonomous principality, under Russian protection, in 1830. For most of the century, Serbia remained as a backwards vassal of an empire. The legal system was outdated, there were 43 varieties of foreign currency in circulation, and by 1884, the only country in the Balkans without a single kilometer of railways was Serbia. The first elected assembly was only gathered in 1858, and the franchise was restricted to direct taxpayers, excluding most of the peasantry, and two dynasties (Karadorđević and Obrenović) were in a constant power struggle.

The fledgling state was puny, and the Turks continued to occupy key points, including Belgrade, until 1867. There was a remarkably homogenous society of peasant smallholders,

unscathed by modernity. Even the revival of Serbian linguistic and historical studies inspired by Vuk Karadzic was not a native plant, as Karadzic had lived himself in Vienna.

Indigenous Serbian culture was oral, contained in folk songs and epics, and rooted in the Orthodox Church. Karadzic managed to consecrate the language and poetry of the “common people” as an expression of nationhood. He believed that all who spoke the language were Serbs, irrespective of religious or ethnic affiliation. Even the Muslims of Bosnia (whom he called “Turks”) were Serbs, and his vision of nationhood as a notion which is united by ties of blood and language exerted a large influence over future generations. Serbian nationalism began with the harsh struggle to form an independent state during the long and slow dissolution of Ottoman power in the Balkans. It was militaristic and Orthodox, constructed around the epochal defeat at Kosovo Field, and carried themes of revanchism and expansionism.

The only ally of Serbia in the Balkans was Montenegro, with whom it was divided via the Sandzak of Novi Pazar. Montenegro was never fully subjugated by the Ottomans, and had continued its strong tradition of independent statehood. The Ottoman hold over Croatia-Slavonia was always more tenuous than in Serbia or Bosnia. The Croats appeared as a distinct group in the 10th century, but their fortunes became entwined with Hungary, whose king was offered the crown of Croatia in 1102, beginning a connection which would last for 8 centuries. The Treaty of Karlowitz in 1699 returned Hungarian and Croat lands to Habsburg possession, after almost 200 years of Ottoman control after Mohacs in 1526. The Croats were allowed to administer their internal affairs through a Diet (Sabor) in Zagreb, and their own governor, appointed by the Austrian Emperor. In 1790, the Sabor surrendered most of its autonomy to Hungary, in an attempt to stifle Viennese centralism. However, Magyar assimilationism would come to pose an even greater menace to independence. Thus, Croatian nationalism would be born, and the same service which was accomplished by Karadzic for

Serbs was done by Ljudevit Gaj for Croats. He also based the standard language on the Stokavian dialect and argued that the Catholics of Bosnia, Dalmatia and Vojvodina who spoke it were not Serbs but Serbo-Croats, Croats who had adopted the language of their Serb neighbors. A common language, he believed and hoped, would unite the South Slav peoples.

In 1835, Gaj was licensed by the Emperor to publish newspapers for Croat readers as a counterpoise to Magyar nationalism. By 1841, he was the leader of the Illyrian Party, marking the beginning of modern Croatian nationalism. Although he remained loyal to the Habsburg crown, his immediate circle talked of “cultural Illyrianism” combined with “political Croatianism” as their program, and he himself communicated with important figures in Serbia and Russia, soon falling out of favor in Vienna as a result. The Hungarians denied the very idea of a Croatian nation, and made Hungarian the language of public administration in 1843, replacing Latin, and decreed that it would become the official language of Croatia in six years. They took advantage of the chaos of 1848 and moved the Hungarian Diet from Pressburg to Budapest, and the Croats responded by joining the Serbs of Slavonia to join the fight against Hungary on the side of the Austrians. Even though neither Serbs nor Croats got any reward for their loyalty, in 1849, the Croats got control of the Adriatic port of Fiume. This was the only occasion in the century where Serbs and Croats united against a common enemy, as Serbs were usually indifferent to claims of Slavic brotherhood.

Serbia managed to throw out the last Turkish garrisons in 1867, and shortly thereafter rebellion broke out in Bosnia. The divide between Christianity and Islam was fundamental to the structure of Bosnian society, but was irrelevant for social and political structures. A Muslim elite had monopoly over wealth and power, and ruled over a servile population of servile Christian sharecroppers. But the Muslims were smallholders, and they shared the

hardships of their neighbors in lean years. They were also Slavs, their ancestors had only converted to Islam, and they still retained their cherished Bosnian language, the same tongue their Christian compatriots spoke. After the Ottoman reform movement threatened the privileges of the local Muslim ruling class by ameliorating the situation of the Christian peasantry, conflict broke out, and a Turkish army quelled the revolt in 1851. Crop failures resulted in sporadic peasant rebellions throughout the South Slav lands.

One of them in 1875, and especially the brutal repression of it at the hands of the Turks, destabilized the region so much that Serbia and Montenegro seized their moment to declare war on the Ottoman Empire the following year. Russia stepped in to aid them, and defeated the Turks in January of 1878. The Congress of Berlin, held that same year, established a new order in the Balkans where Austria-Hungary and Russia were the dominant powers, and granted Montenegro and Serbia sovereignty, which they won in 1882. The same treaty crowned a decade of disappointment for Croats. The Hungarians had forced the Emperor to agree to a compromise, establishing the Dual Monarchy, in 1867. They had also concluded an agreement with the Croats one year later, and Croatia was recognized as a national entity with Serbo-Croatian as its official language, and the Sabor in Zagreb acquired control over internal matters. However, economic and foreign policy was decided in, and the governor, who would almost always impose Hungarian culture and language on the populace, was appointed by Budapest. Hungary also controlled Fiume, cutting off Croatian access to the Adriatic. In response to Magyarization efforts, South Slavic sentiment, often called a “Great Croatia” was on the rise among Croatian nationalists. The problem was how to get it. Austria-Hungary was unlikely to succumb to armed revolt, and Croats did not have a powerful ally like Russia. Most Croatian nationalists were thus not moved by insurrectionism, instead preferring a solution where Croatia would be elevated to a similar status to Austria and Hungary, in a “Triple Monarchy”. Slovenes (who were under Austrian

rule) were even less enthusiastic, with some even disavowing the “trialist” solution for fears that the South Slav state would be dominated by Croats.

In Bosnia-Herzegovina, following the retreat of the Turks after 1878, Croatian and Serb nationalisms first confronted each other. Their visions both saw Bosnia as their territory. Bosnian Muslims were also abandoned, and they reacted first with armed resistance, and then by mass emigration to the Turkish domain. And in October 1908, Austria-Hungary directly annexed the region. This sent the Serbs into a frenzy, the press in Belgrade screamed for war, and there were sympathetic riots in Zagreb, and even Ljubljana. In the Habsburg Empire, anti-Serb sentiment was also whipped into a fury and a conflict began to occupy the minds of generals. Some Serbs formed the “Unification or Death” organization in 1911, better known as the “Black Hand”, a secret organization which aimed to achieve a Great Serbia. Their activities were semi-public, and they published a newspaper named *Piedmont*. The chaotic situation in Kosovo and Macedonia (which were rife with interethnic power struggles) gave way for the utilization of irregular warfare by covert military intelligence agencies.

In this atmosphere of violence, the Albanians rose up in rebellion in 1909-12, intensifying the riots and disorder in Macedonia and Kosovo. Montenegro declared war on the Ottomans on 12th of October, 1912, in an attempt to forestall the creation of an Albanian state. They were joined by Serbia, Bulgaria and Greece. The First Balkan War had begun. They won the conflict, and Ottoman power in Europe was no more. Shortly after another war was conducted between the same countries, this time against Bulgaria, who had gained most of the former Ottoman possessions. The Treaty of Bucharest, in August 1913, partitioned Macedonia between Serbia and Greece, and the Sandzak of Novi Pazar was divided between Montenegro and Serbia, finally giving them a common border. Serbia had been recovered for the nation, the Battle of Kosovo had been avenged, and the Turk routed.

Celebrations would not last long, however, as within a year, war would come again. On a tour provocatively scheduled for the anniversary of the Battle of Kosovo, on the 28th of June, 1914, Archduke Franz Ferdinand was shot dead in Sarajevo by Gavrilo Princip, a Bosnian Serb working with the Black Hand. One month later, Austria-Hungary declared war on Serbia, triggering the Great War, which would obliterate the second imperial obstacle on the road to South Slav unification. The war destroyed Serbia, and a quarter of the population perished. The conduct of the army was exemplary, and they managed to defy a foe which outnumbered and outgunned them, only crumbling when the combined forces of the Habsburgs, the Germans and the Bulgarians overran the country in the winter of 1915. A government-in-exile was set up in Corfu. The secret Treaty of London signed that year gave Serbia Bosnia-Herzegovina, and a portion of southern Dalmatia.

The fate of the Croats and Slovenes were undecided, as there was no plan to break up Austria-Hungary, but Italy was offered gains on the eastern Adriatic, including Fiume. In May, the “Yugoslav Committee” founded in Rome by exiles mostly from Croatia and Slovenia, had shifted its headquarters to London. They began to lobby the British to accept the Yugoslav solution, as the spokesmen for Habsburg Slavs. Even though they rejected any notion of Serbian hegemony, the Entente saw Serbia as an “associated state” of their alliance, and thus, it existed as the sole entity around which a Yugoslav union could be constructed. The Russian Revolution robbed Serbia of their most vital ally, and South Slav deputies in Vienna announced that they would seek the formation of a Yugoslav entity within the Habsburg monarchy. There was an urgent need for compromise.

Serbs and Croats thus signed the Corfu Declaration on the 20th of July, 1917, and announced that an independent constitutional monarchy of Serbs, Croats and Slovenes led by

the Karadordevic dynasty would be established. Anything less than the total union of all South Slavs under Habsburg rule with Serbia and Montenegro was unacceptable. Among the points of the Declaration, there were some which pertained to general equality between the three peoples, such as the use of both alphabets and freedom of religion. The constitution was left to be prepared by a Constituent Assembly in the future. As Austria-Hungary's front collapsed, the Yugoslav Committee began to demand the recognition of Habsburg South Slavs and an allied people, equal in status and rights to Serbia. This was especially important as the Italians had begun to occupy the lands promised to them under the provisions of the Treaty of London, threatening Ljubljana and Karlovac. On the 29th of October, the Sabor proclaimed a National Council of the Serbs, Croats and Slovenes as the sovereign ruler of Habsburg South Slavs, and a desire for union with Serbia. Although some issues regarding representation in the peace negotiations were present, the Council voted for unconditional annexation by Serbia, and the Kingdom of Serbs, Croats and Slovenes was proclaimed in Belgrade, on the 1st of December, 1918.

2.2. Interwar Years

This new entity comprised the territory of Serbia in 1913, united with Montenegro, Croatia-Slavonia, Bosnia-Herzegovina, Dalmatia, and the Slovene lands of Carniola, together with a portion of Styria. Border disputes with Romania and Greece were settled quickly. However, Italy was not so easy. Fiume was occupied by Gabriele D'Annunzio and his legionaries on the 12th of September of 1919, and the "*Impresa di Fiume*" and the newly-established "Italian Regency of Carnaro" only came to an end when the Italian army moved in to crush it after the Treaty of Rapallo had been signed in September of 1920. The treaty gave Italy the whole of Istria plus Fiume, which was first formed into a free state, and

was annexed after a Fascist *coup d'état*. The Italians further extended their sphere of influence towards the Balkans, making Albania into an Italian protectorate in 1921.

The IMRO launched incursions into Macedonia from Bulgaria, and the situation was not abated until 1923. Global communist fervor hit Yugoslavia as well, and the “Unity Congress” of April 1919 resulted in the establishment of the Communist Party of Yugoslavia. Many soldiers and prisoners of war who were returning from Russia (including Josip Broz Tito) were also sympathetic to the cause. Murder and anarchy were the law of the land in Bosnia-Herzegovina. During the war, the *Schützkorps*, an Austrian militia which included Croats and Muslims terrorized Bosnian Serbs, who in turn responded by massacring Muslims after the war was over. As the voice of a frightened people, the Yugoslav Muslim Organization was born, advocating for the recognition of Muslims as a people, and aiming to prevent Bosnia-Herzegovina’s partition between Serbs and Croats.

The Democratic Club was established as an all-Yugoslav forum, aiming to bridge the differences between Serbs and other nationalities. Going into the Constituent Assembly elections, the Democrats chose centralism over federalism as the constitutional form of the new state. The election slogan was “One king, one state, one people”, reflecting the need for the creation of a new “Yugoslav” identity. The six governments which governed the country during the Provisional National Administration (20 December 1918 – 1 January 1921) were too weak, and they could only conclude the peace treaties and establish a customs union. Eighteen months into the new state, there was no sign of a stabilization of authority. The Communists emerged as a major political force to trouble the weak executive. Local elections in 1920 resulted in CPY victories in Belgrade, Zagreb and Skopje, and the authorities reacted by suspending local government and arresting prominent Communist leaders. In Kosovo and Bosnia, interethnic conflict continued to rage.

The elections for the Constituent Assembly were finally held on the 28th of November, 1920. The Democrats and Radicals won 92 and 91 seats, respectively, and the Communists won 58, becoming the third largest parliamentary group. They appealed to not only the tiny working class of the country, but to minorities within Serbia, who were prevented from forming their own political party. Faced with strikes and unrest, the government banned Communist activity, but the CPY deputies retained their seats. As it had been stated with the country's name, only the Serbs, Croats and Slovenes were recognized as constituent peoples. Albanians, Macedonians and Bosnian Muslims were excluded. All parties put their different proposals for a constitution, except the CPY, whose deputies were preoccupied with the creation of a republic of workers and peasants, and they walked out two weeks before the final vote. The Croats and Slovenes eventually walked out as well.

Eventually, with a very narrow majority of just 53% of the deputies voting in favor, the constitution was ratified. The Regent swore his oath to it on the 28th of June, deliberately chosen to mark the anniversary of Kosovo Field. The following day, amid the celebrations in Belgrade, a Communist attempted to assassinate the Regent, and a month later, another succeeded in killing the Minister of the Interior. The CPY was outlawed, and its deputies were deprived of their mandates, and the Law for the Defense of the State was passed. The Kingdom could not have gotten off to a worse start. Two of its three founder-peoples were recalcitrant joiners, and a rump parliament had given limitless power to the executive. Two decades of political paralysis would follow, which would only end with the Second World War.

The nine months of negotiation in the Assembly had not produced an agreement on internal administrative boundaries, so the government created thirty-three prefectures, with

the prefect being appointed by the king. Serbs dominated in the prefectures, except in Slovenia, and the borders were deliberately drawn to create Serb majorities. A Serbian dynasty and a Serb-dominated parliament ran the country, and conducted foreign affairs, causing interethnic tension, especially among Serbs and Croats. Politically, the situation was grim. Serb political parties were unwilling to work with each other, and minority parties abstained from participating altogether. After the elections of March 1923, Croat and Slovene parties dramatically increased their seats, and continued their policy of parliamentary boycott. Attempts at a political environment based on compromise failed, and the elections of 1925 or of 1927 did not change the situation. Parliamentary procedure was regularly broken by scuffles, and the atmosphere of political crisis seemed to be permanent.

Finally, on the 6th of January, 1929, the king proclaimed a royal dictatorship, pending the promulgation of a new constitution. This royal decree did no more than kill a moribund system, and end an era barren of legislation or administration. King Alexander was an enlightened despot rather than a dictator, and wished to overcome the Serb-Croat deadlock by means of energetic leadership and efficient administration. On October 3rd, the official name of the state was changed to the “Kingdom of Yugoslavia”, all references to separate peoples and the paraphernalia of nationalist identification were proscribed. Even the army’s prized battle emblems were phased out for new flags. The thirty-three districts were replaced by nine *banovinas*, named after the main rivers, in order to disinfect them of ethnic or historical associations, and a separate Prefecture of Belgrade. A series of royal decrees also homogenized the jurisdictions into a single, uniform code, standardized the tax collection system, cracked down on corruption, and reformed the administrative apparatus.

However, the unitary state and its centralism was strengthened, and the Serbs remained ascendant. The appointment of a military officer as the head of government and the bolstering of the Law for the Protection of the State, resulted in a wave of political repression affecting many political groups. Many opponents fled, including Ante Pavelic . Dictatorship achieved unity of the different peoples of Yugoslavia, that is unity of opposition. Internal dissent and French pressure forced the king to promulgate the Constitution of September 1931, remaining in force for a decade. Rigged elections took place on the 8th of November, and the opposition parties did not take part in proceedings, as they had been declared illegal. Voter turnout was very low, and three-quarters of all deputies were Serbs.

The king's ambition to reform the state single-handed was arrogant and naïve, but the failure of this endeavor was helped by developments which were going on elsewhere in the world, especially economic problems. Security was also a major concern, and Yugoslavia was isolated, subjected to intense pressure from Italy and Hungary. Both Mussolini and Horthy wished to incorporate Yugoslav territories into their states, and Yugoslavia was forced to pin its hopes for security on the Balkan Pact, signed in Athens in February 1934 by Greece, Romania, Turkey and Yugoslavia. On October 9th, King Alexander was assassinated in Marseille, by agents which were colluding with the French government, the IMRO and Pavelic's organization, the Ustashe, who were Croatian insurgents .

A three-man Regency was set up, as the Crown Prince, Peter, was not even 11 years of age. The elections of May 1935 gave the governing Yugoslav National Party 60% of votes, and the combined opposition won 37%, but an electoral law passed in 1933, gave the YNP a majority of around 80% in parliament. Disgusted by the rigged nature of the elections and the make-up of parliament, the opposition deputies boycotted the Assembly. In common with European public opinion, the government saw Germany as an exemplar of order and sound

government. Hermann Göring's visit to Belgrade was followed by the signing of a commercial treaty in May 1934. Mussolini was trying to tighten the noose around Yugoslavia, and his attack on Ethiopia in October 1935 was met with little protest from Britain and France. This, together with German rearmament and the remilitarization of the Rhineland convinced the Yugoslavs that they could not hope for anything from the liberal democracies.

Hitler's plans entailed picking off the creations of Versailles of the map one by one, and he found Italian ambitions to be a nuisance as they threatened a premature destabilization of the Balkans. Yugoslavia had its uses as an economic satellite, aiding in the construction of the German war machine. In contrast, Italians had nothing towards the Yugoslavs except hatred. Future agreements highlighted German desire for a Yugoslav alliance.

However, these economic deals did little to ameliorate the living conditions of the Yugoslav people. They were malnourished, wages were low, and social advances were patchy. Women still could not vote, and education was a rare privilege. This situation swelled the ranks of the Communist Party of Yugoslavia with a steady stream of recruits of workers and students. The Fourth Party Conference, convened in Christmas of 1934, numbered just 34 delegates, including one Josip Broz, whose many aliases included the name "Tito". He had spent almost the exact period of royal dictatorship in prison. Aged 42 by the time he got out, he emerged to lead a battle-hardened core of Party cadres, who won support by addressing the important economic issues which plagued Yugoslavia. Stalin's switch towards the policy of a Popular Front against fascism in 1935 caused the Party to abandon its opposition to the state as an imperialist creation, in favor of a federalist government, which was to be the solution to the nationalities question.

Throughout these years, Tito frequently traveled to the USSR, and survived Stalin's purges, which cost the CPY about 800 of its most dedicated cadres, including most of the leadership. He turned up in Split at the end of December 1936, entrusted by the Comintern with the task of consolidating the party, which was rife with factionalism. Tito thus conducted his own purges, and he was appointed as the Interim Secretary of the Party Politburo in January 1939. Even when the Molotov-Ribbentrop Pact was signed in August of the same year, Yugoslav Communists maintained a disciplined obedience to Tito, remarkable for a party which was once renowned for its sectarianism and inability to unite.

As Yugoslavia drifted into the Axis sphere of influence, relations with Italy improved as well, and a treaty of friendship was signed in March 1937. The *Anschluss* in March 1938 was also treated with calm in Belgrade, but public opinion was incensed, as the Yugoslav people felt the growing danger of a fascist European order. The Munich Conference in September of the same year further showed the lack of foresight by the Yugoslav government, believing that the Axis had no designs on Yugoslavia, and rejecting Czechoslovak attempts at drumming up support by referring to Czechoslovakia as an "artificial and hostile" creation.

As the *Wehrmacht* marched on Prague in March 1939, and Mussolini invaded Albania in April, an agreement to establish a new "*Banovina* of Croatia" was being prepared, and it was ratified on 26 August, one week before the invasion of Poland. It gave Croatia a wide range of rights over its internal affairs, a form of home rule, but the Crown still had supreme authority. France capitulated on 22 June 1940, and Albania was under the Italian boot. Thus, the only hope of Yugoslavia in evading occupation lay with German protection. A series of antisemitic laws were passed, and the Yugoslav economy was bound even tighter to Germany.

This was the moment the Communists had been waiting for. The Fifth Conference was held at Zagreb, in October, and Tito was elected as General Secretary. At the end of the month, Mussolini destroyed the fragile peace in the Balkans and invaded Greece, forcing the German army to rescue his mismanaged campaign. In November, Romania and Hungary signed the Tripartite Pact, Bulgaria and Yugoslavia followed suit in March 1941. Immediately afterwards, a military *coup d'état* removed the government from power, dissolved the Regency and declared King Peter II of age, despite him being 17 years old. The military tried its best to keep Yugoslavia neutral, but Hitler was furious upon hearing the news. On the 6th of April, 1941, the Nazi armies invaded Yugoslavia.

2.3. World War II, and the People's Liberation Struggle

Six days later, Croatian fascists proclaimed the Independent State of Croatia (NDH), administered by Ante Pavelic , who assumed the title of Poglavnik (Leader). This puppet state was not given control over Dalmatia, but it included Bosnia-Herzegovina, incorporating 1.9 million Serbs and 750 thousand Muslims, out of a total population of 6.3 million. Albania, which was an Italian client state, took control of western Macedonia and most of Kosovo. Vojvodina was split: Hungary got Baranja and Bazka , and Banat was annexed to Germany proper, on account of the native *Volksdeutscher*. Italians occupied Dalmatia, Montenegro, and half of Slovenia, with the other half going to Germany. The remnant of Serbia was set up as a collaborationist government.

In June, Germany attacked the USSR, and the entry of the socialist fatherland into the war was greeted with enthusiasm by Party cadres, blindly believing that fascism would be

defeated. A series of local risings broke out during autumn. The Partizans, as they would become known, even controlled the important town of Uzice for a time but were too weak to hold out against the Nazis. As it became clear that the Red Army would not arrive soon, the Party leaders had to face up to an obvious problem. A successful guerilla war could only be fought by mobilizing the peasantry, and most of the Serb peasants were loyal to the Chetniks, the royalist and nationalist resistance movement.

In keeping with the name, they were groups of local fighters, and their leader Colonel Mihailovic was an unimportant staff colonel when Yugoslavia surrendered. He would only be promoted to supreme command of the "Yugoslav Army in the Homeland" in June of 1942. The loose-knit group's strength was not rooted in a formal system of ranks, but in family, clan and village networks, and thus central control was impossible to establish. The Chetniks lacked the equipment and training to take on the Axis, and it was clear from the beginning that their main enemy was the Partizans, and they attacked the Partizans around Uzice first, not the Germans, in November of 1941.

The Partizans, on the other hand, had a genuine supranational character. They had built up their support by a strict policy of even-handedness between the nationalities and by cultivating non-Communist allies, Partizan headquarters even harbored an Orthodox priest, in clear defiance of anticlericalism. Their leader was also of mixed origins: Tito had a Croatian father and a Slovenian mother. Other leaders came from various ethnicities: Slovenes, Montenegrins, Jews and Serbs. The CPY also enfolded its members in a world of danger and camaraderie in which national differences ceased to matter.

Partizans also possessed the organizational strength which the Chetniks lacked. The need for secrecy and strict obedience under conditions of pre-war illegality had led to a

quasi-militarization of the Communist Party, which proved to be useful in guerilla warfare. Party discipline, expressed in a puritanical code of conduct, was constantly reinvigorated by purges, keeping local commissars responsive to Central Committee orders even when the Party expanded its ranks beyond its core cadres. They set up the rudiments of civil administration in every liberated enclave, embodied in “Regulations” establishing People’s Committees, and set the presses to work, publicizing their cause. The mobilization of women was also a success, and between 15 to 20% of all Partizans were women, while the Chetniks called them “whores”.

German reprisals were very brutal, and only succeeded in driving more and more people into the arms of the Partizans. A directive ordered that 100 hostages be shot for every soldier killed, and 50 for every one wounded. The readiness of the German officers, especially the senior officers formerly in Habsburg service, to obey orders led to a horrifying event. Failing to find enough grown men in Kragujevac, the death squads rounded up the boys of the town’s gymnasium and murdered them together with the elderly schoolmaster on 22 October 1941.

Partizans and Chetniks reacted to total war in different ways. Partizans left the uncommitted civilian population to take their chances as a way to discourage collaboration, and attacked the occupiers whenever and wherever they could. Chetnik operations began later, were less frequent, and inflicted fewer casualties. The Italians even used the Chetniks as a buffer in their own zone of occupation, allowing them to protect Serbs against Ustasha attacks. This policy, combined with the Party’s early mistake of “left deviationism” (mass terror) explains why the Partizans failed to make any headway in Montenegro until the spring of 1943. In areas of the NDH controlled by Italy, Chetniks actually fought as auxiliary forces and Serbia remained as a Chetnik stronghold until the last few months of the fighting.

Germans oscillated between attack and truce with their dealings with the Chetniks, depending on the military situation.

After the initial attempts to form a united front, Partizans and Chetniks settled into a struggle to eliminate each other, with Muslims caught in the middle, from the beginning of 1942. Chetniks exclusively recruited Serbs and Montenegrins, Bosnian and Croatian Serbs also formed the backbone of early Partizan formations, but they managed to attract support from other nationalities as well. The NDH was the main slaughterhouse of the war, as 62% of all deaths occurred on their territory. Pavelic's followers treated Serbs the same way the Nazis treated Jews. This sprang out of the Ustasha's own ideology, which incorporated Croats into the pure Aryan race. The Serbs were racial enemies, and made to wear armbands marked with the letter "P" for *pravoslavac*, meaning "Orthodox". Ustasha commanders carried out their work in villages and small towns, unrestricted by Axis authority. They would descend on dazed and defenseless Serbs at night, who were massacred in pits, their homes, forest clearings and burning churches. Orthodox priests were also murdered in their hundreds. The killings, and their intention were public, and only organizational weaknesses regarding transportation and bureaucracy prevented them from executing a genocide similar to the Holocaust.

The chronological backbone of the People's Liberation Struggle is formed by the seven major Axis offensives against the Partizans. The first two, launched in September 1941 and lasting until February 1942, set a pattern for the rest of the war. German and Italian forces were joined by Chetnik formations, and together they chased Tito's forces out of Serbia, Montenegro and the Sandzak to a new base in the Foca triangle, where their borders meet Bosnia-Herzegovina. By mid-June, the Partizans were moving northwest, along the line dividing the Italian and German occupation zones of the NDH. Italian troops were spread

thin, and the Partizans were reinforced by a flood of new recruits fleeing from the Ustasha . By the time they arrived in northwestern Bosnia at the beginning of November, the original force of 3 thousand fighters had tripled.

In this breathing space the Anti-fascist Council for the Peoples' Liberation of Yugoslavia (AVNOJ) was summoned in Bihac between 26-27 November 1942. Anti-fascist Councils of Croatia and Bosnia-Herzegovina were also established at this time. The Partizans were a magnet for Serbs fleeing the NDH, and they were also pulling in Muslims, but they did not constitute a major military threat. Even if Stalin was deceived by the falsified accounts of strength Tito provided him, he was determined to keep quiet for fear of offending his capitalist allies. Moscow also rejected the suggestion that a provisional Yugoslav government in the form of a People's Committee be set up, so the AVNOJ was simply a parliament of a popular resistance movement.

The western Allies did not pay much attention to the Balkans (and only recognized Mihailovic as the sole representative of the Yugoslav government-in-exile) until the invasion of North Africa in November 1942 and the defeat of Erwin Rommel's *Afrikkakorps* in El Alamein. Now, Yugoslavia was a possible landing ground to secure the bridgehead of an advance into occupied Europe. Meanwhile the Italian presence in Bosnia-Herzegovina increased, and the Third Offensive was initiated, as an extensive sweep through southeastern Bosnia in preparation for an attack on Bihac . The crucial Fourth Offensive, lasting from January 1943 to May, almost trapped the Partizans, but they succeeded in breaking out at the battle on the Neretva in early March. Penetrating the section held by Chetniks, they pursued them all the way back to Foca , only to be cornered in turn by the Germans and Italians, who launched a Fifth Offensive lasting through May and June. Outgunned and outnumbered, the

Partizans retreated, and once again had to break out of encirclement, and took appalling casualties, almost one-third.

The crossing and re-crossing of the Neretva was a high point of Partizan heroism in a brutal and exhausting war, and all this commotion behind enemy lines attracted British attention, who parachuted liaison officers to the Partizans in April and May, personally selected for the job by Churchill. Their reports led to the decision to support the Partizans and Chetniks equally in September, and support to the Chetniks was cut off in December. Allied landings in Italy, beginning in July 1943, were followed by the capitulation of Italy on September 8th. A large quantity of Italian equipment was captured, and the second meeting of AVNOJ was called on November 29th, at Jajce, simultaneous with the Tehran Conference. A People's Committee was proclaimed as the sole legitimate government of Yugoslavia, and Tito was bestowed with the title "Marshal of Yugoslavia". Allied recognition and supplies also gave a huge boost to recruitment, and the Germans estimated the number of Partizans at 110 thousand in December. However, the Chetniks were still a formidable force. Numbering between 60 to 70 thousand on active service, while the Partizan presence in Serbia was only 1,700 by January 1944. The Chetniks fragmented without Allied supplies and backing, with some entering into open collaboration, and others either joining the Partizans or melting away into the civilian population.

Tito had come a long way over the past year. It was agreed that Partizans would receive all possible military support in Tehran, and the ideological character of the movement was no longer a matter for prevarication by Stalin, as the Comintern had been dissolved six months earlier. On the 23rd of February, a Soviet military mission was parachuted into the Partizan headquarters in the Bosanski Petrovac area, and the Allies forced the resignation of the government in London in May. Despite Allied support, the Partizans still had their backs

to the wall. The Sixth and Seventh Offensives, lasting from November 1943 to the summer of 1944 drove them back to western Bosnia, their refuge. Even there, on 25 May 1944 (Tito's birthday), German paratroopers almost captured the Partizan headquarters in an attack on Drvar. Tito was wounded in a desperate escape, and flown out to a tiny island in mid-Adriatic, where he met the London premier of Yugoslavia. Forced to agree on a mixed government of emigres and Communists, Tito only consented under pressure from Stalin to accept a monarchist state, until a Constituent Assembly settled the question.

In the meantime, three new regional Anti-fascist Councils for Slovenia, Montenegro and Macedonia were added to those already in existence in Bosnia-Herzegovina and Croatia, foretelling the constitutional form of the communist state. Tito met with Churchill in Naples on 12 August and assured him that he had no intention to create a communist Yugoslavia, but a week later, he met with Stalin in Moscow. There, a momentous deal was struck. The Red Army was nearing Yugoslavia, and when it did arrive, Marshal Tolbukhin would request permission from the National Committee of Liberation to enter Yugoslav territory, and the task of securing Yugoslavia would be left to the Peoples' Liberation Army, strengthened by Soviet support. Belgrade was liberated on 20 October 1944, after 11 days of fighting. As the Red Army pursued the Germans, Tito met with the London government in November, and AVNOJ was recognized as the provisional government of Yugoslavia until elections could be held. During 9-12 September, the first session of the Anti-fascist Assembly, not "Council" was held, and immediately entered into an agreement with the five Anti-fascist Councils to form a Democratic Federative Yugoslavia.

Stalin was worried about the perception of these developments by his allies, and a visit by the British to Moscow on October 9th resulted in the infamous "percentages

agreement” in which the states of Central and Eastern Europe would be divided into spheres of influence, with Yugoslavia pencilled in as “fifty-fifty”. Stalin explained this to Yugoslav communists in late November, but they ignored his request to restore the balance in favor of Britain. They held all the cards. OZNa, the State Security Service established in May, led by Rankovic was zealously carrying out Tito’s orders to “strike terror into the bones of those who do not like this kind of Yugoslavia”. His army, now numbering about 200 thousand troops, was reorganized into four regular army corps on January 1, and at the end of the month, a network of trade unions was established, the classic transmission belts of communist power. When the Yalta Conference was held in February of 1945, it was agreed that the bargain between Tito and the government-in-exile should be honored by the inclusion of deputies who were elected in 1938, but the process of securing the CPY’s power rolled on undisturbed.

The People's Liberation Army was renamed the Yugoslav Army on 1 March and the Democratic Federative Yugoslavia received Allied recognition six days later, two months before the end of hostilities in Europe. The Party now counted 140 thousand cadres, and the consolidation of power was achieved with great speed and discipline. The war was still not over, however, and only on 15 May would Yugoslavia be completely liberated from Axis occupation.

2.4. Tito’s Regime and Breaking with Moscow

In August, the founding congress of the Peoples’ Front of Yugoslavia was held, marking the end of party pluralism. It was a monolithic umbrella organization encompassing all others, the peacetime guardian of the achievements of the Peoples’ Liberation Struggle, and Tito was its President. Their list gained 89% of the vote in the elections of 11 September,

and the Federal Assembly proclaimed a Republic on 29 November, henceforth known as “National Day”. The Party itself remained shrouded in secrecy, with the names of its members and leadership not being published until 1948. The Peoples’ Front (PF) was an instrument of centralized control, far outclassing the pre-war royalist bureaucracy, using the workplace as the prime site of political mobilization. All members of all institutions of civil society were automatically enrolled in the PF, and people were dragooned into demonstrations, rallies, and work brigades, in the cause of building socialism.

Mihaliovic’s trial was concluded by a death sentence for treason on 15 August 1946, and the trial of Archbishop Stepinac in October was a warning to all religious communities in Yugoslavia. He was sentenced to prison for 16 years for collaboration. Twelve months on, the PF was purged of subversive elements and a purge within the party began in April 1948. The constitution of 31 January 1946 proclaimed a Federative Peoples’ Republic of Yugoslavia embodying six constituent republics, each having the right to secede. There was no attempt to make the republic boundaries coincide with ethnic ones.

The problem of nationalism was, for now, contained. The essential task was now industrialization, to create a prosperous Yugoslavia which would transcend ethnic and national jealousies. The Five-Year Plan was adopted in April 1947, and Marshall Plan aid was rejected in June. Land reform and collectivization efforts were also conducted between 1945 and 1950. In September, the Cominform was founded. Zhdanov set the tone with an inaugural address about the division of the world into two power blocs, and the threat of Western imperialism. When Belgrade was chosen as the place of publication for the organization’s periodical, the Yugoslavs’ view of themselves as first among equals in Eastern Europe was confirmed.

Stalin was displeased with this presumption, and the Soviet/Cominform presence in Yugoslavia became a cover for espionage. Although Stalin feigned shock when the Yugoslavs complained, Tito's regional ambitions, the creation of a united Balkan socialist federation, had no place in Moscow's plans for the future of the region. It was assumed that Belgrade would annex Albania, and Tito's plans also included the incorporation of Bulgaria as a constituent republic, together with a united Macedonia. He did not seek Soviet approval prior to reaching an agreement with the Bulgarians to begin unification, in August 1947. Although Bulgaria had no intention to become the seventh Yugoslav republic, they were happy to play a major role in a South Slav federation that encompassed a united Macedonia, including its Aegean portion.

Stalin wanted stability. Americans were back in Europe with the Marshall Plan and Truman's promise to defend Greece and Turkey. Thus, the support of the Greek Communists by Yugoslavia had become actively dangerous. In February 1948, Stalin demanded that the Yugoslavs and Bulgarians form a federation, on his terms. The Bulgarian premier accepted, but the Yugoslav delegation refused. Meeting on 1 March, the CPY Central Committee made their decision known to Moscow, which recalled all Soviet advisors from Yugoslavia on the 18th. Two days later, Trieste was assigned to Italy by the Western powers, without an objection by the USSR. On the 27th, the Soviet Central Committee sent a letter to their Yugoslav counterparts, accusing the CPY of anti-Soviet propaganda, and it was copied to all Cominform nations.

Charge and counter-charge flew back and forth for three months. The Yugoslavs refused to submit to the adjudication of the Cominform, and repudiated the Soviet position entirely. Two members of the Central Committee were expelled in mid-April for wanting the two sides to talk in Belgrade, and were accused of secretly communicating with the Soviet

ambassador. The deadlock was impossible to break. On 20 May, the Yugoslavs reiterated their refusal to attend a meeting of the Cominform and published their intention to call a Party Congress instead. On the 3rd of June, the government had to raise an internal loan of 3.5 billion dinars to stave off bankruptcy, and on the 21st, more than 2 thousand delegates were gathered in Belgrade. An atmosphere of real emergency was present for the opening of the Fifth Congress.

On 28 June, the Cominform issued a resolution which expelled the CPY. Instigated by Stalin and Molotov, its intention was to disrupt the final stages of the Party Congress, and bring Tito to heel by calling on the rank-and-file members to put an end to their leaders' "Turkish-terroristic" regime. The political map of Eastern Europe was being redrawn, though this was not yet clear. The CPY continued to acclaim the USSR as the leader of people's democracies in the struggle against capitalist imperialism, personal compliments were lavished on Stalin, to whom the Congress sent comradely greetings. For over a year, the Party lived in limbo, ostracized by the socialist camp, but hoping for a return to normalcy. Stalin was, however, unrelenting. On 29 September 1949, he revoked the treaty of friendship and cooperation between the two countries, and it was clear that he meant business. In a secret session, the Federal Assembly declared a state of national emergency and prepared to resist invasion.

Within a month, on the 25th of October, Yugoslavia was elected to the United Nations Security Council, after Yugoslav diplomats put the question of Soviet-Yugoslav relations before the General Assembly, which overwhelmingly supported Yugoslavia. The break with the Kremlin was finalized by a second Cominform resolution, issued in November, couched in the deranged rhetoric of Stalinist vilification. The resolution compared the "Tito-Rankovic

” clique to Hitler, condemned the Party elite as “spies”, “murderers” and “enemies of the Yugoslav people” for having completed the transition from bourgeois nationalism to fascism. The show trials of leaders in Albania, Hungary and Bulgaria, where Deputy Prime Minister Kostov was executed on charges of “Titoism”, made it clear that the choice facing Yugoslav leaders was of resistance or liquidation.

Unsurprisingly, they chose resistance, and surprisingly, they succeeded. Out of a total Party membership of 500 thousand, 60 thousand were expelled and between 12 to 13 thousand imprisoned, for alleged Cominformist leanings. Over 200 thousand functionaries were removed or transferred elsewhere, half of them during 1950 alone. Cominformist sympathies were especially strong in the armed forces, especially the Soviet-trained air force, which exacerbated the threat factor of the crisis. Tito won his battle against Stalin, but it took a Stalinist purge to do it.

2.5. The Yugoslav Path to Socialism

In January 1949, the Party decreed the speeding-up of the collectivization of agriculture. The leadership was determined to squeeze every resource it could out of the peasantry. By the end of 1947, half of all imports and exports were exchanged with the USSR, and combined with the collapse of the Five-Year Plan and military build-up, a period of war communism was inevitable. Rationing was introduced. As the crisis dragged on, the CPY was compelled to move towards accommodation with the West. Washington’s policy of Soviet containment was clearly formulated by 1950, and Yugoslavia fit perfectly. Military and economic agreements were signed with the Americans, the first step in a bilateral relationship which began with bank loans, and extended through food aid to an agreement in November 1951 on military cooperation. The same year, hostilities with Austria and

Germany were finally formally terminated, and the US, the UK and France awarded Yugoslavia with a 500 million US dollars grant-in-aid, which would prove to be crucial in kick-starting the crippled economy. By 1955, Yugoslavia had received 1.187 billion dollars from the United States, distributed equally between economic and military aid, and another injection of 420 million from the UN.

Internally, there was no real move towards liberalization, but the Party concluded a tacit truce with the peasants and workers. Collectivization was quietly abandoned, and forced sales of agricultural goods at fixed prices were discontinued. The control over the industrial workers was demilitarized, socialist honorifics, such as “shockworker” or “hero of socialist labor”, disappeared, and repressive employment laws were repealed. Egalitarian welfare measures were built up, for example, child allowances were increased by a factor of 14 in 1952.

The Sixth Congress was held in November 1952, and marked the end of the first phase of international realignment. The Party had won itself some breathing space which was used to celebrate a new version of official Marxism based on the self-management of workplaces by workers. The first workers’ council was installed on 31 December 1949, at a cement factory near Split, and Tito personally sponsored the Basic Law on Workers’ Councils in the Federal Assembly on 27 June 1950. The law was unanimously approved amid tumultuous applause, and the Assembly then passed a resolution urging that the withering away of the state ought to begin at once.

The charge against Stalin was “bureaucratism”. It was noted that the “executive apparatus” of the USSR produced an “independent bureaucratic caste with special social interests”, in opposition to the interests of the working masses. Yugoslav socialist democracy, in contrast, rested on the principle of direct democracy, embodied in workers’ councils. Freed

from bureaucracy, productivity would soar, carrying the proletariat along the road to towards a communist society governed by associated producers, as envisaged by the ideology's founders. The Congress voted to rename itself, as the "League of Communists of Yugoslavia", and the People's Front was replaced by the Socialist Alliance of Working People of Yugoslavia, abandoning the tactics of mass political mobilization.

The doctrine of self-governing socialism became the orthodox discourse of political life under Titoism, but the problem remained of translating it into a program of political and economic reforms. The Party was by now thoroughly bureaucratized as well, and in spite of the purges, membership had swelled to 750 thousand by 1952. The new recruits were mostly from the state administration and the intelligentsia, while the proportion of the peasantry plummeted to between a quarter and a half. With collectivization off the agenda, the Party no longer needed a major presence in the countryside. Primitive communism was out of fashion, and the revolution was complete. The place of peasant activists was taken by groups with interests in stability and gradualism within the new order. The new Party man in authority was typically a non-combatant who joined after the war.

The work of the Sixth Congress eventually gave birth to the Constitution of January 1953, proclaiming the communes as the basic political and administrative unit of self-governing socialism. The communal assemblies incorporated a bicameral system: a political chamber elected by universal suffrage, and a chamber of producers composed of representatives of workers' councils. These communal assemblies elected the representatives to the republican assemblies, who in their turn elected the representatives to the Federal Assembly. Direct democracy on the local level had been achieved, and the indirect elections on the higher levels ensured the Party's control of elections and candidate lists, turning the Party machine into the gatekeeper to all positions of authority.

The new decentralized structure posed a threat, as differences and disputes between regions and republics might open the door to nationalism. In response, the constitutional powers of the Chamber of Nationalities, which had never shown any signs of life during its existence as a constituent body of the Federal Assembly, were drastically lopped, as it could now be used for airing disputes in public. The decision to allot nearly half of all investment funds to the republics was rescinded, and plans to reform the banking system were shelved. Instead, a fiscal planning system was adopted, which set the ratio between personal consumption and savings, using a formula culled from Marx's "Critique of the Gotha Program". The formula was then applied to every level of financial activity, so the federal administration determined the pattern of national expenditure right down to the last dinar, administered through a General Investment Fund.

Feuding between Serbs and Croats had still not been solved. The July 1953 issue of the Party journal carried a heavy warning against nationalist deviations within the ranks. It was also no coincidence that the Party was having trouble with the Catholic hierarchy in Croatia, and in November, the Yugoslav government broke off relations with the Vatican. Conflicts within the political bureaucracy were also present, and Djilas's arguments, presented in a series of articles in the Party daily between October 1953 and January 1954, which stated that the communist monopoly on power would create "state capitalism" were not received warmly. He was expelled from the Party in January, and the reform process took a severe hit.

The USSR was making overtures of friendship, and rapprochement required a demonstration that Yugoslav revisionism had strict limits. Tito therefore decided on a "final accounting" with liberal-bourgeois tendencies, a subject which was the gist of his speech to the first session of the Federal Assembly elected under the new constitution, on January 29th.

The key to the delicate balance of forces within the CPY was the neutrality of the Kremlin. Unless normalcy could be restored with the Soviet Union, Yugoslavia would be pushed further into the arms of the capitalists, which nobody in the Party wanted. The death of Stalin created a climate of compromise, but it took two years of careful maneuvering by both sides to close the gap. By mid-1954, the Executive Committee of the League of Communists pronounced itself satisfied that the USSR had come to respect the Yugoslav path to socialism, but reserved its position on top-level talks, and unanimously rejected rejoining the Cominform. Despite this rebuff, trade was resumed, and in June 1955, Khrushchev arrived in Belgrade to cement a renewed friendship.

The Bolsheviks' Twentieth Congress in February 1956 seemed to confirm that all was now well. The sensational attack on Stalin and Stalinism in Khrushchev's secret speech, the formal acknowledgement of different roads to socialism, and the posthumous rehabilitation of many Yugoslav communists, persuaded the leadership that an accommodation might be reached, and this impression was confirmed when the Cominform was dissolved in April, so Tito traveled to Moscow to sign a joint statement which affirmed the need to respect the richness of forms which the building of socialism might take.

Party leadership was therefore in no particular hurry to force the pace of change at home, and the substantive legislation devolving authority to the communes was passed in September 1955. It took the appearance of Soviet tanks in Budapest to put the steam back into revisionism. Once more confronted by Soviet imperialism, the official reaction in Belgrade to the invasion of Hungary was hair-splitting. The Party condemned the first intervention of Soviet troops to put down a popular rising against the Rakosi, but the second intervention, done at the request of the "legitimate" Hungarian government was deemed

justified and necessary to avert a civil war fomented by the Horthyists and the West. This response precisely reflected the CPY's own delicate position. The right of communist governments to find their own path to socialism did not include the right of their peoples to choose not to go down with it.

This time, Yugoslavia was better prepared. Propped up by Western aid, the economy was in relatively good condition, and Yugoslav diplomacy had been moving closer to the Third World. This policy was consolidated when Tito, Nasser, and Nehru signed a declaration in June 1956, condemning the division of the world into power-blocs, calling for disarmament and economic assistance to underdeveloped countries through the UN. The next year, the First Self-Management Congress was held, as another affirmation of Yugoslav independence, and its theme was economic reform. Attempts by the USSR to repair the damage caused by the Hungarian invasion were unsuccessful. The Yugoslav delegation which traveled to Moscow for the fortieth anniversary celebrations of the October Revolution in November 1957 refused to sign the Twelve-Party Declaration produced by the other socialist states at the conclusion of the proceedings, calling for a restoration of ideological unity. The Soviet Union promptly revoked an agreement for the construction of an aluminum plant, and reduced trade links.

2.6. Reformists and Hardliners

The reply of the League of Communists was the adoption of the historic Program of the Seventh Congress, held in April 1958, in Slovenia. Lenin was identified as the last heir of revolutionary communism, and his dictum that Marxism was not a "finished and inviolable" body of doctrine was approved. All democratic elements of the Leninist vision were reasserted, and the rest were left out. The Program went out of its way to stress that "Yugoslavism" did not represent an attack on national languages and cultures within the

federation, but rather was a simple acknowledgement of a Yugoslav identity emerging alongside ethnic allegiances. Yugoslavia was under intense pressure to rejoin the socialist international fraternity, and the idea of a “Yugoslav socialist nation” was essential to the argument for an independent path to socialism.

A Council of Cultural-Educational Associations was established, in order to coordinate cooperation between the nationalities on a federal level. An agreement in December of 1954 between Serbian and Croatian representatives of such associations had already stated that Serbian and Croatian constituted one language. This attempt to promote cultural integration caused alarm, and effectively harmed “brotherhood and unity”, and in the face of mounting resistance Yugoslavism was quietly laid to rest. This shift in policy was also reflected by the Census of 1961, which recognized “ethnic Muslims” as a national minority for the first time. This move was to defuse tensions in Bosnia, and it was also an indication of a weakening of centralism. Party leaders, including Tito, continued to nag about national chauvinism and of unhealthy and anti-socialist elements in society, but the Party was too disunited to crack down on nationalism, as it was split over the issue of economic reform.

By 1960, the country was enjoying a period of sustained economic growth. Over a million new jobs were created, and employment rose between 6 to 11% annually. The problem of rural overpopulation was being overcome as well. However, industrial growth lagged behind, and labor productivity only rose by 2.6% annually. International developments were crucial in shaping the course of reform. Relations with the socialist states were unstable and subject to sudden freezes. In September, Tito made a high-profile visit to the UN’s fifteenth anniversary celebrations, staying for two weeks, rubbing shoulders with world leaders. He was immensely influential with the Non-Aligned Movement at the UN, and as a result, the League of Communists was the only Communist party in the world not invited to a

conference of leaders from 81 countries, held in Moscow in December. China was also a vitriolic critic of Yugoslav revisionism. Tito repudiated the charge that Yugoslavia had deserted the world socialist movement, and named the Chinese as the instigators of this slander.

The snub to the Yugoslavs instigated an ambitious reform program, in part motivated by the Party's confrontation with the problem of injecting market elements into the system. Hurriedly adopted a week before the conference in Moscow, the Social Plan for 1961-1962 envisaged the promotion of the country from an underdeveloped to a medium-developed industrial capacity. It was based on an annual increase of labor productivity of 7%, which would secure a 50% rise in personal consumption, and fund a generous expenditure on education, housing, health and welfare. Balancing imports and exports was another key target. Yugoslavia then applied for associate membership of GATT, and obtained promises of short-term loans of around 275 million US dollars to cover existing deficits. However, a condition to both was the devaluation of the dinar and the cutting of tariffs.

The success of the Plan rested on making Yugoslav enterprises more efficient, and able to compete in world markets. Despite a series of reforms, the Plan failed, and was abandoned within 18 months of its start. Wages were frozen, and the process of creating income differentials was put into sharp reverse. A rise in unemployment was another symptom of this debacle, and led to the first wave of emigrants to find work abroad, mainly in West Germany as a part of the *Gastarbeiter* program. The volume of credit doubled in two years, industrial prices skyrocketed, and the cost of living increased even more. The plan had backfired.

The bill for this program was not paid equally. All republics except for Serbia and Montenegro were net contributors to the federal budget, and Slovenia and Croatia accounted

for over half of the total. Serbia gained massively, contributing only 29% of the cost, but taking well over two-thirds of the receipts. Bosnia and Macedonia also fared quite well, but Serbia again stood out, consuming over 40% of the funds. Croatia and Slovenia maintained rates of return on investment which were two to three times higher than the rest, and rightfully complained that they were subsidizing an irrational and wasteful policy of equalization which in fact, favored Serbia, not the most backward regions of the federation.

Friction was exacerbated by the fact that the same was true for other federal expenditures. Serbia consumed a higher proportion of the national wealth than all other republics, and Serbs were overrepresented in the state apparatus, the army, and the State Security Service (UDBa). Obviously, proposals for economic reform could not be disentangled from the nationalities' question and raised prickly questions. Reform also entailed accepting the risks of economic and political penetration by capitalist states, the source of advanced technology and export markets needed to sustain growth.

Hardliners therefore opposed any increases in the power of the collectives to control investment decisions. They argued that it would give way to managerialism, and strengthen the republics at the expense of the federal administration. Opposition to reform coalesced around Rankovic , People's Hero of the Liberation Struggle, and Tito's heir-apparent. He combined his republican power base in the Serbian League of Communists with the offices of Chief of UDBa and Organization Secretary of the central Party structure. He also controlled the Foreign Ministry, through his power of appointment of ambassadors, and by means of an extensive network of personal supporters, underpinned by surveillance from the UDBa. He wanted to maintain the centralized power of the Party, organized around Serbia as the center of gravity of Yugoslavia.

Confrontation broke out in March 1962, under cover of a routine meeting of the Central Committee held in Split, in a parallel secret session later described by Tito as a broadened sitting of the Executive Committee, though no documents exist recording the event. Everyone present was aware of the illegal activities of the secret police, but their objection was that they themselves had been put under surveillance. Discounting the more sensational accounts of what went on at this meeting, two things are certain: the Serbs came under fierce attack from everyone else (especially the Macedonians) and Rankovic was forced to back down.

It is difficult to say how the balance of forces between reform and reaction lay at any moment, but the battle lines within the Party ran between the “old guard” and the technocrats. Only about 40% of the League of Communists had joined prior to the Sixth Congress. For these veterans, reform represented a threat to careers based on an understanding of the rules of the game, operating in a system grounded in centralized political patronage. They were the natural constituents of Rankovic : industrial managers in declining sectors, typically skilled workers by origin, the army of middlemen threatened by the dismantling of the federal administration, and local Party officials, alarmed that attempts to democratize the League would destroy personal networks of influence built up through years of uncontested office. The reformers sought to mobilize the Communist technocracy. The years following the Seventh Congress had led to the promotion of the rising generation of younger, professionally trained Party members to important positions. Trade union and managerial circles of advanced industrial sectors supported economic reform, and they made it their policy to push their nominees into the economic chambers of elected assemblies. The Titoists had to play the dangerous game of balancing the power levels of different republics. Nationalist rivalries were embedded in the system, and any economic policy would ultimately result in one side perceiving themselves to be treated unfairly.

In April 1963, a new constitution announced the transition of Yugoslavia from a “People’s Republic” to a “Socialist Republic”. The Preamble spoke of the “sovereign rights” of the working people and the nationalities making up the Federal Socialist Republic of Yugoslavia, exercised through both republican and federal institutions, and protected by a newly established Constitutional Court. This complicated formula denied sovereignty to the republics as territorial entities, while opening the door to a degree of polycentrism in the governance of the federation, allowing them to enter into agreements on specified social and economic issues without federal interference.

The constitution conferred the new office of Vice-President of the Republic on Kardelj. He, another advocate of decentralization, was its main author, and the honor was a sign of Rankovic’s increasing isolation, and Tito’s favor towards economic reform. The Soviet Union was sliding into neo-Stalinism under Brezhnev, and although he had no wish to offend Moscow, Tito also did not want to side with the hardliners. Unlike the grey and shadowy leaders of the Warsaw Pact’s satellite states, Tito was used to moving easily in the realm of international diplomacy, representing Yugoslavia to the world and leading the Non-Aligned Movement. Rankovic, on the other hand, epitomized the authoritarian, bureaucratic face of Yugoslav communism.

Meeting in December 1964, the Eighth Congress of the League of Communists endorsed the principles of market socialism, though combined with a maze of contradictory qualifications of the role of the Party in controlling inequalities, and heavy warning against ideological and nationalist deviations. The Congress also took the important decision that in the future, the congresses of the republics would be held before the federal gathering, a procedural change which signaled the Party’s readiness for reform. Open hostility broke out in the spring of 1965, when the Serbian League of Communists came under attack in the

pages of the Party newspapers. Rankovic stepped up his use of the security apparatus to discredit or remove opponents. Even Tito's villa and offices were bugged, and he only learned of this via the army's counter-intelligence service, KOS. Nationalism, again, seems to have played a part, as both the Minister of Defense and the officer responsible for the KOS operation were Croats. The balance of power between the UDBa and the military now began to err on the side of High Command, and remained that way.

In June, Tito held talks with Soviet leadership in Moscow, and while he was there, the Federal Assembly brought in the first of a series of economic reform measures. This was the very moment at which Kosygin's reform plans were being shelved in the USSR, and the Soviets needed to be reassured that Yugoslavia was not straying into the capitalist camp. Rankovic immediately began to organize resistance, but he was opposed by virtually the entirety of the top leadership. A year of intense infighting drew to a close when, in July 1966, the Brioni Plenum of the Central Committee relieved Rankovic of all Party and state offices. Eighteen years after the break from Moscow, Yugoslavia's hard man was gone.

2.7. Decentralization, Markets, and Consequences

Getting rid of Rankovic was the easy part. Now the real task was upon the reformers, the creation of a stable system of inter-republic bargaining without undermining the power of the central Party machine. In October 1966, the two functions on which Rankovic's power rested were separated. Control of the central Party became the collective responsibility of a newly created Presidium of 35 members, while control of cadre policy, including the UDBa

except for a residual federal arm, was devolved to the republics. The Executive Committee was reduced to 11, but was then enlarged to 17, to include the republics' party secretaries. The aim was to put a stop to the infiltration of the government by the UDBa's nominees, and to develop the Presidium as a check on the power of the Executive Committee. Membership of both bodies was forbidden, and rules regulating the rotation of offices were introduced, to prevent the covert exercise of power through bureaucratic networks.

There was a new tolerance of freedom of expression, and even within the Party itself there was a wide circulation of heterodox ideas drawn from bourgeois social theory, and a radical New Left appeared, part of the movement which was sweeping through the universities of Western Europe. The Party was put back on guard when an ideological carnival broke out, and nationalist currents surfaced. In March 1967, a group of Croat intellectuals, including a member of the Croatian Central Committee, repudiated the 1954 language agreement. They complained that the Serbo-Croatian dictionary, then in preparation, relegated Croatian variants to subordinate status, and was part of a general tendency to utilize Serbian as the "state language". This was a very sensitive issue, because it raised questions about the treatment of Yugoslavia's other official languages, Macedonian and Slovenian, and about minority policy. A group of Serbs, again including a member of the Serbian Central Committee, replied to the Croats, accepting that Croatian was a separate and equal language, but by the same reasoning, demanding full cultural and linguistic independence to Serbs living outside Serbia. The Party's response was sharp, and disciplined both sides, but could not prevent the passing of the first amendment to the 1963 Constitution on 18 April, restoring the Chamber of Nationalities.

By the end of 1965, every third enterprise was operating at a loss. Legislation which came into effect in August aimed to create a well-developed manufacturing industry, and

diversify investment into neglected sectors, especially agriculture and tourism. Subsidies to industry for domestic sales were ended, together with the differential exchange rates applied to various economic activities, and the dinar was allowed to float against the US dollar. These changes resulted in a destruction of the stable, egalitarian pattern of income distribution, and huge disparities in income between enterprises appeared, and the economic gap between the advanced and underdeveloped republics widened.

The Party had lost its traditional support base in the working class, who were disgruntled by the adverse effects of the economic reforms on their livelihoods. The intelligentsia was also hit hard. For the mass of the population, everyday life was dominated by the problems of poverty, emigration and unemployment. By the end of the 1960s, an estimated 20% of peasant and working-class households lived on the margins of existence, while another 70% barely made ends meet. Even professional families now needed two earners, but jobs were harder to come by. The unemployment rate doubled between 1966 and 1970, and the situation was only ameliorated by the fact that a million Yugoslavs had emigrated for work. A quarter of all working Yugoslavs were working for capitalism, half with formal occupational qualifications, and less than 20% of their earnings were being repatriated. It was an expensive waster of skills, and a major factor for social demoralization.

The reforms were also highly variable in regional impact. Slovenia and Croatia experienced a fall in unemployment between 1965 and 1974, while it increased by 79% nationally, and by 1116% in Macedonia. More developed regions sent workers abroad, and less developed ones sent workers to work in domestic urban centers. The question of whether to press on with more radical changes caused yet another split in the Party. Younger, professionally trained industrial managers were dissatisfied, arguing that the reforms were not

enough. In 1965 alone, state authorities issued almost 1 thousand decrees regulating enterprise affairs, and a similar amount in the following year. The scope and capriciousness of interventionism made rational management impossible. The banks issued regulations which contradicted state-issued ones, and every level of decision-making in the economy was subjected to outside meddling, which produced corruption and nepotism.

In early June 1968, student sit-ins and demonstrations broke out in four main university centers in Yugoslavia, following the example of the New Left in Western Europe. They were fiercely anti-capitalist and Tito's political genius turned their attacks on the "red bourgeoisie" to his own advantage. In a televised speech on the 9th, he acknowledged that it was time for unity and action, and that the students were right. He warned the students that spontaneous demonstrations could be infiltrated by unhealthy elements (Maoists were mentioned more than once), and advised them to return to their studies, which they did on the very same evening. It was an impeccable piece of political theater.

Whether unity and action were supposed to advance the cause of reform or reverse it was unclear, but the problem was resolved by the Warsaw Pact invasion of Czechoslovakia in late August. There was a welcome surge of support for the Party, as Tito condemned the Brezhnev doctrine, rallying the reformists. Amendments VII-XIX to the 1963 Constitution, passed in December, reserved defense, security and foreign affairs to the domain of the federal government, while decisions affecting social and economic development passed to the republics. Vojvodina and Kosovo-Metohija became autonomous provinces of Serbia, with a flag and proportional representation in all state organs. This was a radical break with Yugoslav history, but it was still not enough for some Kosovars. Violent disorder broke out in Kosovo and spread to Macedonia, fired by the slogan "Kosovo Republic". The reaction of the Serbs was fierce, and the army was sent in to restore order, but the reformists still held their

ground. Kosovo's constitutional gains were ratified by the Serbian Assembly in January 1969, and the detested Serbian addition of "Metohija" also disappeared from the province's official title.

Amendment VIII confirmed the Chamber of Nationalities (renamed in 1974 as the Chamber of Republics) as the constitutional partner of the Socio-Political Chamber within the Federal Assembly, with enlarged powers and the right to meet separately. The republics and provinces acquired a virtual veto over matters within their jurisdiction, because of a stipulation which stated that agreements had to be unanimous. These changes swung the balance of power away from Serbia. Within this intricate system of checks and balances, the Titoists intended to play the role of the power brokers. It was therefore necessary to bring new blood, sympathetic to reform.

As promised, the republican parties held their congresses during November and December 1968, in advance of the all-Yugoslav Ninth Congress, and were allowed to nominate their own candidates for offices. By the time of the Congress, the Party had recruited over 250 thousand new members, with 80% aged under 25. The Party bosses also made a clean sweep of the old guard in the republican leaderships, unblocking the channels of promotion to the new generation. Reform was exclusively Party business, and needed delicate handling.

This complicated system was bound to raise questions and cause arguments regarding the extent of federal and republican power, and although they were cleanly separated in the constitution, the arrangement was unworkable. The governments of the republics became primarily focused on growing their "own" economies, and the lurch towards autarky was rapid. Reform also released a relentless assault on communist economic dogma. Among the ideas fostered was the creation of free-trade zones, and Rijeka (formerly Fiume) was

proposed as an entry point for Middle Eastern oil going to Central Europe. Industrial and commercial conglomerates began to form, which dominated regional economies, and the directors of these giants were making decisions on a scale and complexity which outstripped the ability of lower-level Party forums to exercise control over their activities. These Communist entrepreneurs subordinated the Party and its affiliates to their business interests.

By the time of the Ninth Congress in March 1969, the tide of reformism was on the turn. Tito insisted on the need for the strongest possible central leadership “in view of the current political situation in the world, and the need for more decisive action against all deviations”. The Central Committee of 155 members was replaced with an enlarged Presidium of 52 members, including three from the army, and the Executive Committee was replaced with the Executive Bureau, composed of 14 representatives elected by Congress, two from each republic and one from Kosovo and Vojvodina. Voices calling for a return to Communist virtues of equality and austerity began to rise again, coupled with demands for the restoration of Party discipline.

As the Congress drew to a close, the “roads’ affair” erupted in Slovenia, in June. The Slovenes complained of a discrimination by the federal government in the distribution of an important loan from the World Bank, violating an inter-republican agreement. For the first time, a republic had openly defied a decision of the Federal Executive Council, backed by hints of secession, and it required the personal interference of Tito to get them to back down. Croats also became increasingly outspoken in their criticisms of centralism, and discussions about economic reform became entwined with a more overtly political confrontation, which focused attention on two federal institutions which were dominated by Serbs: the army and the security forces.

Even more alarmingly, a major schism developed within the Serbian leadership. At a meeting chaired by Tito in October of 1971, as the Croatian leadership crisis was coming to a boil, the President of the Serbian Assembly attacked the Secretariat of the Central Committee of the League of Communists of Serbia for persistently frustrating attempts to implement economic reform. The Serbian party organization was split. As a result of the efforts to oust Rankovic, the Serbian leadership was filled by technocrats, which was a problem. If Serbia, the bastion of centralism, threw its weight behind further liberalization, reformism would run out of control.

Meanwhile, the top leadership of the Croatian party had lost their grip on the situation in their republic. What began as a cautious mobilization of public support backfired when it was infiltrated by sympathizers of Matica Hrvatska (a nationalist organization), and a mass nationalist movement emerged almost overnight, with a newspaper with a reader count of 100 thousand. Tito had warned of such a danger when he visited Zagreb in July, and so it proved. At a top-level meeting on 22 October to discuss a new, consolidated constitution (the number of amendments totaled 41), the Croats declared that the offers were only a barely acceptable minimum. Reiterating their opposition to economic centralism, they demanded control over their own reserves of foreign currency. The nationalist students of Zagreb University went on strike to support this demand in November, and refused to back down when ordered to do so by the Croatian party leaders, who were forced to resign.

The Twenty-First Session of the Presidium of the League of Communists in early December set in motion a rolling purge. Separatist tendencies were rooted out, and after some resistance Tito personally took on the job of setting the Serbian party leadership's house in order. He attacked the liberal-technocratic wing of the party, forcing the President and the

Secretary of the Serbian League of Communists to resign. It was the end of reformism. The Party would be reorganized, and democratic centralism was reasserted.

However, the crackdown did not aim to turn back the clock, as economic reforms could not be reversed. The end of austerity released the pent-up consumerism of people accustomed to running the gauntlet of hard-faced customs officers to smuggle in jeans or rock tapes from Trieste or Munich. They became fond of saying of their neighbors in Romania, Bulgaria, and Hungary, “We are like America for them.” JAT, the state airline ran weekend cheapies to London, popular culture soaked up spaghetti Westerns and the Rolling Stones. Among communist states, Yugoslavia was the only one represented in Eurovision.

The amendments introduced in 1971 were not rescinded, and were retained, showing the Party’s commitment to republican autonomy. Most importantly, the collective state Presidency was kept, as decisive proof. The Presidency was composed of one member from each republic, and one from Kosovo and Vojvodina, and the office of President rotated to each constituent member of the Federation annually. Yet, when the dust settled after two years of frenetic activity, the problem of striking a balance between federalism and centralism was no nearer a solution than before. The new Constitution (the longest in the world) adopted in January 1974, and the Tenth Congress in May, sent out contradictory messages regarding reform. The resulting political system was messy and complicated, and different social classes and nationalities were affected in different ways. One provision of the new Constitution was suspending the rotating Presidency of the Federal Republic, and declaring Josip Broz Tito to be President for Life. Only the Founder could make it all work.

3. Governance, Institutions and Federal Units

3.1. Governance Structure

The leading forces in the Yugoslav governance system were the ideals of “self-management” and “federal autonomy”. Yugoslavia has had 3 different constitutions in its history which were deeply based on these principles. The governance structure of Yugoslavia was complicated and even contradictory until its major reform by the 1974 constitution. After this constitution, the governance was divided amongst 2 levels, the federal level and the republic/province level. As Yugoslavia was a federal republic, each republic had their own institutions and organizations that were similar to those in the federal level, the difference being their levels of authority.

3.1.1. Federal Governance Structure

The federal governance structure of Yugoslavia was divided amongst different institutions. They were: *The President, the Presidency, the Federal Executive Council, the Federal Assembly, the Federal Constitutional Court and the League of Communists of Yugoslavia*. These different institutions were responsible for different aspects of the legislative, executive and judiciary branches of the state.

The President of the Republic is the official head of state, commander in chief of the armed forces and the head of the presidency of the Federal Socialist Republic of Yugoslavia. The President of the Republic was established as Josip Broz Tito for life by the 1974 Constitution. The President has direct authority over the presidency, the federal executive council and the armed forces. He also has the right to veto laws, treaties and decisions passed from the Federal Assembly.

The Presidency is the collective head of state of the Federal Socialist Republic of Yugoslavia. It consists of 8 members, one member from each republic and province. All of its members have a right of veto in decisions that affect their republics or provinces. Its

responsibilities are the coordination of the armed forces, supervision of *the Federal Executive Council* and issuing decrees in times of emergency.

The Federal Executive Council (FEC) is the government of the Federal Socialist Republic of Yugoslavia. It is the main executive and administrative branch of the federation. It consists of the President of the FEC, Vice-President of the FEC, 8 Republican Representatives, and 14 Federal Secretaries. The 8 Republican Representatives represent their republic or province in the FEC, managing the implementation of federal decisions in their respective republics and provinces. They are also responsible for protecting their regions' rights and solving disputes between regions. The President of the FEC acts as the prime minister of the government. The 14 Federal Secretaries (Ministers) are the heads of their Federal Administrative Agencies (Ministry). Their duty is implementing actions that are under the authority of their Federal Administrative Agency such as coordinating the foreign affairs, managing economic and social decisions, overseeing internal affairs and coordinating the armed forces. The FEC may also propose laws to the Federal Assembly. The Federal Executive Council is overseen by the Presidency.

The Federal Assembly is the main legislative body of the Federal Socialist Republic of Yugoslavia. It is divided into 2 houses, *Chamber of Republics and Provinces* representing the federal units and *Federal Chamber* representing self-managing organisations (workers, communes, socio-political organisations, unions). Each federal unit sends a delegation of equal number of delegates to the Chamber of Republics and Provinces. This house of the Federal Assembly proposes legislations and each federal unit has a veto right over decisions affecting the federal units, the federal constitution and inter-republic disputes. The Federal Chamber has delegates from a variety of different self-managing organisations such as communes, student unions and socio-political organisations. These delegates would be democratically selected from their respective organisations. This assembly represented the

working people of Yugoslavia. It proposes legislations and has a veto power over decisions regarding the constitution or affecting the economy, labor, and social policy. The laws passed from one or both of these assemblies need the approval of the President.

The Federal Constitutional Court is the highest judicial body of the FSRY. It is responsible for ensuring the constitution's implementation and solving disputes between federal institutions.

The League of Communists of Yugoslavia (SKJ) is the most significant political organisation of the FSRY even though it was not recognized as "a state organ". It has immense control over the policy and decisions made and many significant bureaucrats. *The Central Committee* is the highest decision making body of the SKJ and it oversees not only the SKJ's but also Yugoslavia's national policy. *The Presidency of the SKJ* and *the Congress of the SKJ* coordinated the party policy and strategy. The SKJ had party organisations in many institutions, communities and workplaces solidifying the party's influence.

3.1.2. Republican/Provincial Governance Structure

The governance of republics and provinces are similar to that of the federal governance. The main governance structures of the federal units are *the Presidency of the Republic/Province*, *Executive Council of the Republic/Province*, *Assembly of the Republic/Province*, *Constitutional Court of the Republic/Province*, and *League of Communists of the Republic/Province*. Each institution is responsible for a different aspect of governance of their republic or province.

The Presidency of the Republic/Province is a collective head of their federal unit. They oversee the Assembly and Executive Council of their federal unit. The members of The Presidency are selected from representatives of major political and social organisations of their federal unit.

The Executive Council of the Republic/Province is the main executive institution of each federal unit. It is composed of the President of the Executive Council (Prime Minister), Vice-President of the Executive Council, and Secretaries (Ministers). It coordinated with the Federal Executive Council to implement the decisions taken.

The Assembly of the Republic/Province is the main legislative body of the federal units. It has one house that consists of representatives of major communes, workplaces and socio-political organisations. It proposes legislations and amends amendments to the republic or provinces local constitution without defying the Federal Constitution.

The Constitutional Court of the Republic/Province is the main judiciary institution of federal units. It is responsible for protecting the local constitution of each federal unit. Its decisions could be overruled by the decision of the Federal Constitutional Court if their decision is against the implementation of the Federal Constitution.

The League of Communists of Republic/Province is the branch of the SKJ in the level of federal units. It has major influence over decision-making of the federal units similar to how SKJ has influence over the Federal Institutions.

3.2. Socialist Republics and Socialist Autonomous Provinces

Federal Socialist Republic of Yugoslavia, as it could be understood from its name, was a federal state. It consisted of 6 Socialist Republics and 2 Socialist Autonomous Provinces, which were located in the Socialist Republic of Serbia.

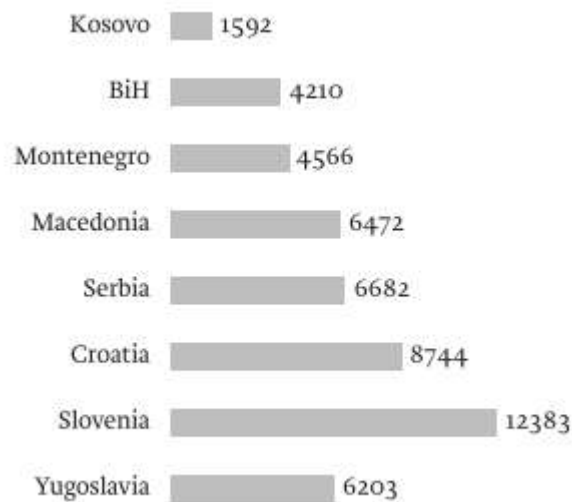
After the 1974 Constitution, the federal units had the highest level of autonomy they ever had in the history of the federation. Each had its own constitutions, legislative-executive-judiciary organs, control over many social and economic aspects, and even defence forces (Territorial Defence Forces). Each federal unit has veto rights in the

presidency and in the Chamber of Republics and Provinces about the decisions that affect their federal unit.

The Socialist Autonomous Provinces had near the same amount of autonomy as the Socialist Republics. They had their own constitutions, legislative-executive-judiciary organs, control over many social and economic aspects, and defence forces. They were legally under the control of the SR of Serbia and the Serbian Government had immense influence over the decision-making processes of its autonomous provinces.



A Map of the Federal Units of the FSRY



GDP Per Capita (In US \$) of Each Socialist Republic

3.2.1. Socialist Republic of Slovenia

Socialist Republic of Slovenia was established on 29 November 1945, with its capital being Ljubljana. It was the nation state of Slovenes. Slovenes made up 94% of the SR's population, making it an ethnically homogenous republic.

SR of Slovenia was the most industrialized and economically-developed republic of the federation. It accounted for 16.2% of the Yugoslav GDP and 21.2% of the Yugoslav exports even though it consisted of only 8% of the federation's population. The republic was already industrially developed and produced a significant amount of modern industrial goods. Slovenia counted for most of the Yugoslav trade with the West, thus it had the best railway and highway systems in the federation with significant ports and shipyards.

SR of Slovenia lacked the labour and manpower capabilities of other republics. This caused the republic to seek migration unlike most of the other republics. Slovenia also did not possess the defence capabilities of stronger/more populous republics. Its Territorial Defence Forces (TDF) were equipped relatively well however its number was much smaller compared to other TDF's.

3.2.2. Socialist Republic of Croatia

Socialist Republic of Croatia was established on 29 November 1945, with its capital being Zagreb. It was the nation state of Croats, the second largest ethnic group of the federation. The Croats had the majority of the population by 79.4% and there was a significant Serbian minority that made up 14.2% of the republic's population.

The religious differences between the two groups often led to social unrest and discrimination of the Orthodox/Serbian population. The Croatian language and culture was protected and in most cases enforced by the republic. These events and the historic rivalry between the Serbs and the Croats on the leadership of the federation caused tensions between the Socialist Republics of Croatia and Serbia.

Croatian SR was the second most economically developed region after SR of Slovenia. Its diverse economy, which was mainly dominated by industry, agriculture, trade and tourism, made the Croatian SR one of the most important regions of the federation. 21.9% of the Yugoslav exports and 26.8% of the Yugoslav GDP was provided by the SR of Croatia. The Adriatic Coast ensured huge opportunities for trade and tourism sectors of the republic.

3.2.3. Socialist Republic of Bosnia and Herzegovina

Socialist Republic of Bosnia and Herzegovina was established on 29 November 1945, with its capital being Sarajevo. Bosnia and Herzegovina did not have an ethnic group with a significant majority, being home to 3 major groups: Bosniaks (39.6%), Serbs (37.2%), and Croats (20.6%).

The Bosnian identity was a complicated problem since nationalism reached the Balkans. The religious, ethnic and cultural divide between the three main groups of the region

had led to many different ideas for the structure of Bosnia and Herzegovina. Some intellectuals that were educated in the West were in support of a *cantonized* confederation. This idea was short-lived due to the violent conflict between the Ustashe, Chetniks, and other groups during the Second World War. With the formation of the Socialist Federal Republic of Yugoslavia, new identities emerged such as the Muslim National Identity and the Yugoslav Identity. The Socialist Republic of Bosnia and Herzegovina was a unified republic with many different identities and ideologies living under the same republic. This caused a general unrest amongst different groups and a rising risk of partition.

Bosnia and Herzegovina didn't have a well industrialized economy in 1974 however it started to industrialize starting from the 1970s. It underwent a rapid program of industrialization powered by the Federal Government. Especially mining and metallurgy developed significantly. This greatly increased the economic growth and modernization of the region however it also made Bosnia dependent on the Federal Government's subsidies. SR of Bosnia and Herzegovina made up 12.2% of Yugoslavia's total GDP.

3.2.4. Socialist Republic of Montenegro

Socialist Republic of Montenegro was the nation state of the Montenegrins. The Republic's capital was Titograd, named after the federation's leader Jozip Broz Tito. The Montenegrins had the majority with 67.2% of the population and other major minorities were Muslims, Albanians, and Serbs.

The country had a strong Orthodox identity amongst many of its people. The people's historic, religious and cultural affiliation led the SR of Montenegro to generally align itself with the Serbian SR.

The Montenegrin economy had always been dominated by animal herding, subsistence farming and coastal trade. This pre-industrial economy had no major changes up

until the end of World War 2. The devastating effects of the war scarred Montenegro deeply however with the land reforms and establishment of local communes, an economic restructuring was inevitable. Between 1960 and 1971, the share of industrial goods in the Republic's GDP rose from 6% to 35%. This rapid industrial growth created disproportional internal migration to the industrial centers from the rural regions. This turn of events led to a growing economy with a relatively poor population. SR of Montenegro had the second lowest GDP per capita amongst the federal units in the year 1974.

3.2.5. Socialist Republic of Macedonia

Socialist Republic of Macedonia was the nation state of the Macedonians which made up 69.3% of its population. The other major minorities of the republic were the Albanians and the Turks who made up 17% and 6.6% of the population. Its capital was the city of Skopje.

Macedonia was quite different amongst other Socialist Republics. This was mainly because of the relatively late development of the Macedonian national identity. Macedonian language was only standardized after the formation of the Socialist Republic of Macedonia. It was considered to be a dialect of Bulgarian by most however Serbians and Greeks considered Macedonian to be related to their languages. To prevent the influence of foreign powers in the Republic, the language had to be standardized. To achieve this, central dialects were chosen to be the standard, a new Cyrillic alphabet with unique letters was adapted, and official grammar and spelling rules were established. These reforms were spread amongst the public by the usage of educational and cultural institutions of the Socialist Republic. This process was not only limited to the language. A new history and national identity was forged to create a separate "Macedonian" people.

Socialist Republic of Macedonia was not economically strong compared to most regions. It made up 5.5% of the Yugoslav GDP and 6% of the Yugoslav exports. After the Second World War, Macedonia's economy was really underdeveloped. It did not have any major heavy-industry facilities, it was mostly agrarian and it did not have sufficient infrastructure. The Federal Government led major economic development programs in the republic. Infrastructure's development was prioritized due to the region's strategic position. The development of infrastructure helped the development of sectors such as mining and heavy industry. These sectors rapidly grew and helped the urbanization of the republic. Regardless, the republic still had a mostly-agrarian economy centered around its population that generally lived in the countryside. The industrial sectors were growing however they were still not sufficient. The economy was growing but the republic became heavily reliant on the Federal funding that had fueled its economic growth.

3.2.6. Socialist Republic of Serbia

Socialist Republic of Serbia was the republic of the Serbians with its capital being Belgrade which is also the Federal Government's capital. It was the only Socialist Republic that did not have authority over all of its land. This is because the Socialist Republic of Serbia has 2 Socialist Autonomous Provinces in its territory.

In all of the Socialist Republic of Serbia, the population consisted of 71.2% Serbs, 11.6% Albanians, 5.1% Hungarians and other small minorities. When the Autonomous Provinces are not included, the SR of Serbia consists of 80.4% Serbians, 6% Hungarians and other small minorities. This makes Serbia ethnically quite homogenous other than the regions of Vojvodina and Kosovo.

Serbian authority weakened a lot after the 1974 Constitution which gave Kosovo and Vojvodina near republic level of authority. They even got the right to not accept the laws of

the Serbian SR if they chose not to. This caused a huge distress amongst the Serbian people and Government. Serbia used to be the “main nation” in Yugoslavia both in its pre-socialist history and at the start of the Federation’s re-establishment. Serbs were the largest ethnicity in all of Yugoslavia with 39.7% of the entire population being Serbian. The unrest caused by the declining influence Serbia had was amongst main issues of the Federation.

Socialist Republic of Serbia was economically quite complex. Its economy was very divided. The region of Vojvodina was economically really strong both in industry and agriculture while Kosovo was the poorest and most underdeveloped region of the entire federation. Central Serbia, which was the region the SR of Serbia had its authority the most, was moderately industrialized and had an important agricultural production. With its automotive, defence and electronic industries, Central Serbia was economically over the Yugoslav average. Its cities of Belgrade and Nis were one of the biggest cities in Yugoslavia both according to population and economy. When its autonomous provinces are also included, the Socialist Republic of Serbia makes up 39.3% of the Yugoslav GDP and 39.2% of the Yugoslav exports, being the first in both categories.

3.2.7. Socialist Autonomous Province of Vojvodina

Socialist Autonomous Province of Vojvodina was one of the 2 Socialist Autonomous Provinces of the Socialist Federal Republic of Yugoslavia with its capital being Novi Sad. It was an ethnically diverse region with its population being 55.8% Serb, 21.7% Hungarian, 7.1% Croat and other minorities.

Vojvodina had one of the most developed economies of the federation. It had a very productive agricultural production thanks to the many rivers flowing through it, the fertile soil it had, and the suitable terrain that it was located in. The Province also had a huge industrial production consisting of sectors such as food processing, chemical goods, textiles,

and machinery. The province also had a skilled and productive workforce and a strong transportation network.

Even though Vojvodina was a multi-ethnic province, this didn't cause any major problems in the region's history. It had multilingual schools and local government agencies which protected the existence of most of the languages and peoples of the province, forming a peaceful and stable society.

3.2.8. Socialist Autonomous Province of Kosovo

Socialist Autonomous Province of Kosovo was the last Socialist Autonomous Province of the Federal Socialist Republic of Yugoslavia with its capital being Pristina. It was considered to be an essential part of Serbia due to its history however it was dominated by the Albanians after the 19th Century. Albanian people made up 73.7% of the province's population while the Serbian minority only made up 18.4% of the province's population.

Kosovo had the lowest level of autonomy before the 1974 Constitution which gave it equal status as Vojvodina and near-republic level of autonomy. After the Constitution, most of the province's media agencies, educational institutions and governmental units were Albanianized. This caused the Slavic population in the province to migrate outside of the province causing unrest amongst its population and also worsened the already negative relations between SAP of Kosovo and SR of Serbia.

Kosovo was the poorest region of Yugoslavia. It had the lowest GDP per capita amongst all regions and its economy was quite underdeveloped. It had insufficient infrastructure, underdeveloped industry and urbanization, high unemployment, inefficient farming methods, and a heavy reliance on federal subsidies. Its economy was centered around subsistence farming and mining which were both done with outdated methods.

4. Defence Forces

4.1. Yugoslav People's Army

The Yugoslav People's Army (JNA) originated from the partisan movements in Yugoslavia during the Second World War. The People's Liberation Army of Yugoslavia (NOVJ) was established in 1941 and was the predecessor of the JNA. The dispersed guerilla forces of the NOVJ were reorganized into regular forces, however their guerrilla tactics remained in use by the JNA.

The JNA was the military force of the country which was under the authority of the Federal Leadership. The commander in chief of the JNA was Josip Broz Tito and most of its officers and forces were loyal to Tito and his regime. All officers were given political training in Marxist-Leninism and Yugoslav Socialism. Tito had the ultimate authority over it however the JNA took its orders from the presidency of the country and the Federal Secretary of National Defence in the Federal Executive Council.

The JNA didn't hold any authority over the Territorial Defence Forces. This caused a rivalry between the two organisations. The rivalry was due to the both ideological and ethnic differences between the two. Most of the JNA's officers were of Serbian or Montenegrin origin while the Territorial Defence Forces' was dominated by the ethnicities of their regions. The JNA also represented the Federal Authority while the Territorial Defence Forces were under the authority of their SRs or SAPs. Yugoslav People's Army (JNA) had 3 branches, the Yugoslav Ground Forces, the Yugoslav Air Force, and the Yugoslav Navy.

4.1.1. Yugoslav Ground Forces

The Yugoslav Ground Forces were the largest part of the JNA and the backbone of the Yugoslav defence doctrines and plans. The Yugoslav Ground Forces were divided into 3 Army Districts: Belgrade (Central Serbia, Vojvodina, Bosnia and Herzegovina, and Eastern

Croatia), Zagreb (Croatia, Slovenia), and Skopje (Macedonia, Kosovo, Montenegro and Southern Serbia).

Most of the Yugoslav Ground Forces were organized into brigades however there still existed divisions that were used for specialized operations such as the mountaineer and armored divisions.

Infantry of the Yugoslav Ground Forces were mostly mobile and light which were used for guerilla-like tactics. The Territorial Defence Forces and the JNA adopted the Total Defence Doctrine which meant that both armies were preparing the population for mass-mobilization and total war.

Yugoslav Ground Forces used a variety of armored and mechanized vehicles. T-54 and T-55 were the main battle tanks however earlier models that were supplied to Yugoslavia by the USSR were still in use. The Yugoslav Ground Forces also used M-47 Pattons which were bought from the USA after the Yugoslav-Soviet split. Yugoslav Ground Forces used domestic armored personnel carriers OT M-60 and OT M-80.

Yugoslav Ground Forces maintained a relatively-large reserve of artillery and they also had a small number of anti-air guns which were both mainly used in defense-in-depth tactics.

4.1.2. Yugoslav Air Force

NOVJ(National Liberation Army of Yugoslavia) had air forces trained and equipped by the Commonwealth and the USSR. Some unknown units had Luftwaffe captured from the Germans and some from the Independent Air Force of Croatia.

In 1945 the air force was transferred to the newly formed on. At the same time a unit of a fighter group which was under the USSR became operational. From 17 August 1944 the first Spitfire Squadron became operational. From that moment till the end of WW2 the

Yugoslav Air Force established a core group that was already formed from experienced personnel.

The development continued with the establishment of the Aeronautical Union of Yugoslavia in late 1945. The organisation of the JRV became a pattern of the USSR post war. The initial equipment was supplied by the USSR. Also the aircrafts that were taken in the war were used as supplies. By the end of 1947 the air force reached up to 40 squadrons and became the most powerful in the Balkan region. In 1948 they broke off with the Soviets and became subjected to extreme pressure. Since the support of the USSR was gone the supplies that they were aiding were gone too.

The serviceability of the Air Force dropped rapidly, efforts to expand the industry was a small success. The Ikarus Aero 2 and Ikarus 213 Vihor trainers were followed into service by the Ikarus S-49 single-seat fighter and first Yugoslav jet aircraft Ikarus 451M.

But still no victories were seen by these so the government made an agreement with the British and a shipment of aircrafts was agreed upon. In October 1951 the first de Havilland Mosquito F.B.6 fighter-bombers were supplied. The following year, 150 Republic P-47D Thunderbolt fighter-bombers were delivered from the USA under a Mutual Assistance Pact.

The first jet aircraft to be operated by the JRV, four Lockheed T-33A. The first eight Thunderjets, all former aircrafts, arrived at Batajnica on June 9, 1953. At the same time, a number of Yugoslav pilots underwent jet flying training in Germany and USA. These deliveries substantially improved the combat effectiveness of the JRV. 10 Westland Dragonfly helicopters were obtained in 1954, and in 1956, after numerous delays due to political considerations, 121 F-86E/Canadair CL-13 F.4 Sabres (highly maneuverable, transonic jet fighter-interceptors, with strong combat) interceptors were delivered. jet trainers, arrived on

10 March 1953 and were soon followed by the first of 229 Republic F-84G Thunderjet fighter-bombers.

After Nikita Krushchev became the leader of the USSR the relations between two nations improved drastically. And this relation made a delivery of Mikoyan-Gurevich MiG-21 in September 1962.

Lack of possible replacements of the US made fighter-bombers including training jets induced the Yugoslav industry to move and make new jet trainers and fighter bombers. After trying many prototypes the industry made the Soko G-2 Galeb light-attack trainer jet, which partly replaced a number of Lockheed T-33 aircraft, and Galeb's single-seat version, Soko J-21 Jastreb light attack aircraft. 25 of Mi-4 medium transport helicopters were also obtained for helicopter units from the USSR.

4.1.3. Yugoslav Navy

“Yugoslav Navy was a coastal defence force with the mission of preventing any naval landings or conflicts in the Adriatic. Its origins were the partisan groups that operated small-scaled raids to Italian convoys in the Second World War. These partisans later on gathered under an official naval organisation which was led by the People’s Liberation Army of Yugoslavia.

After the formation of the Federation, the Yugoslav Navy was officially formed in 1945. They first used submarines, destroyers and landing crafts captured from the Italians and Germans. The Navy upgraded its arsenal between 1950s and 1960s by the warships and submarines they got from the USSR; however the composition of the Yugoslav Navy shifted more towards Western models after the 1960s.

The Adriatic Coast of the SFRY consisted of many small islands which were mostly uninhabited. The Adriatic Coast was one of the main hubs for piracy and smuggling. The area

was also suitable for potential naval invasions which had been a huge problem in the Second World War. The Yugoslav Navy was designed to cover up this weak spot of the country. The Navy and its tactics were quite similar to the guerilla tactics used by the ground forces. Small groups of landing crafts and destroyers were used for securing the small island chains and the coastline of the country.

4.2. Territorial Defence Forces

Territorial Defence Forces were decentralized armies that were under the command of each SR or SAP. They were created in the year 1969 to protect the federation against any threats by creating guerilla resistance.

The Territorial Defence Forces consisted of trained civilians that were to be used for total defence in case the country was invaded. They did this by recruiting locals from each region and giving them militia training. This process was done independently from the JNA which regularly caused problems amongst the two armies. The JNA and the Territorial Defence Forces had problems regarding the share of the recruitable population and areas of control.

5. Socio-Economic System

5.1. Self Management and Market Socialism

After World War 2, Tito introduced an economic model into Yugoslavia which was modeled closely after the Soviet system. This quickly changed after the Tito-Stalin split which worsened the relations between the two countries. The first major change in the Yugoslav economic system was the 1952 Economic Reform which opened the country to international trade and allowed for price liberalization. This however wasn't the start of "Market Socialism". The funds were still allocated by the central command and investments

were strictly controlled by the government. The economic reforms that were to introduce “market socialism” in Yugoslavia were first announced in a Program of the League of Communist already in 1958

Yugoslavia’s economic transition was marked by the role allocated to workers' self-management. The main principle was that employees had to have a key role in the decision-making structures of their enterprises. The main tool for worker influence has been the Workers' Council which, even in the late 1950s, was given the authority to appoint managers. Pay structures, employment and investments were mostly managed by the Workers’ Councils of enterprises which granted them enormous authority.

Market reforms were accelerated in 1965. The allocation of investment was decentralized from state investment funds to collectively owned banks. The banks' share of investment finance rose from 3% in 1963 to more than 50% by 1971. The interest rates were still determined by the central government which still had a major say in the economy. The 1965 Economic Reform also further increased the openness of the economy, liberalized prices and enhanced the decision-making authority of self-managing firms by reducing income taxes in enterprises.

Yugoslav economy performed well until early the 1970s even though cracks started to emerge in the mid 1960s. Exports grew fast, and to Western as well as Soviet-bloc markets, but imports on average grew faster. The 1973 Oil Crisis and the global economic stagnation that followed slowed down the growth of the economy radically. This showed the lack of crisis management strategies of the decentralized Yugoslav economy.

Although the socialist features of the economy were retained throughout Yugoslavia’s existence, the awareness that the operation of the market was necessary even in a socialist economy emerged early on. However, it was also stressed that the market could not be the only regulator of socio-economic relations, because this would mean a negation of socialism.

This led to the Federal Government acting as a regulator of the market. This duty of the Federal Government was given to the banks and then SRs later on.

5.2. Industrialization and Economic Development

Yugoslavia came out of the Second World War in a quite bad state. Most of its infrastructure networks were heavily damaged, one thirds of its heavy industry capabilities were destroyed, skilled labour was insufficient, and the economy was still mostly dependent on agriculture.

Yugoslavian economic revival after the Second World War was mainly done by the support taken from the USSR which made the federation highly dependent on the Soviet Bloc. This, however, would change after the Tito-Stalin split in 1948.

The next few years witnessed a change in the Yugoslav economic policy. The country opened itself up to the West and made trade less-controlled. The 1965 Economic Reform officially made the country a “Market Socialist” country. The economy was more decentralized but the state still held immense power, especially in controlling investments and federal subsidies. The Federal Government used the capital it had accumulated by exports and international loans to develop regions that were not industrialized such as Bosnia and Herzegovina, Kosovo, and Macedonia. These acts of the Federal Governments resulted in the quick industrialization of the Yugoslav economy.

The Federal Subsidies and funds which sought to balance the gap between the states and develop the economy became much less effective after the 1973 Oil Crisis and the 1974 Constitution which slowed down the economy and made economic management more decentralized which stopped the fast development of the Yugoslav industrial sector.

5.3. Welfare System

The Federal Republic of Yugoslavia implemented major social welfare programs. The Yugoslav Social Security System consisted of 4 programs: Health Insurance, Disability Insurance, Retirement Insurance, and Children's Allowances. All of these programs were directed at a certain part of the population while the Health Insurance covered the entire population.

Yugoslavia's Health Insurance was quite comprehensive and advanced for its time. The Health Insurance was not totally controlled by the state. Self-Managing organisations, communes and republics had the right to finance and implement their health insurances. The state created standards and regulations for the Health Insurance which they also financed through their subsidies.

Other insurances were more regulated by the state compared to health insurance. Self-Managing Organisations and Communes financed their own insurances however the standards for these were much strictly controlled by the Federal Government.

6. Relations with Neighbouring Countries

6.1. Albania

Yugoslav-Albanian relations were quite complex. After World War Two, both countries had been deeply divided due to the divisions created in the Balkan Peninsula by foreign powers. This issue however would be solved by the growing cooperation between the Communist organizations of the two countries. Both countries sought to help each other's economic reconstruction after the war. Yugoslav economic aid, especially in agriculture helped resolve the famines in Albania.

Both countries aligned themselves with the Soviet Union and they had similar political systems. Economic cooperation was established and trade between the two countries helped the development of underdeveloped regions of the both such as Kosovo and Shkodër.

The friendly relations between the two countries would drastically change after the Tito-Stalin split. Albania aligned itself fully with the Soviets and even pressured Yugoslavia for doing the same. Yugoslavia's decision to separate itself from the USSR's sphere led to the relations between the two becoming hostile. Albania had a quite powerful military and this resulted in Yugoslavia militarizing its borders and even arming pro-Yugoslav Albanians against the Hoxha Regime. Small groups of 10-15 Albanians were armed and sent into Albania to defend Yugoslav interests in the region.

Yugoslav-Albanian tensions cooled down after the death of Stalin and the Soviet-China split. Albania aligned itself more with China while Yugoslavia restored some of its relations with the USSR. Their relations were still hostile because of the political differences between the countries and their dispute over Kosovo. Albania claimed Kosovo to be a part of itself while Yugoslavia tried to sustain its control over the region. The larger level of autonomy granted to Kosovo by the 1974 Constitution resulted in the dispute becoming much more violent because Yugoslavia decreased its authority in the region.

6.2. Greece

The Yugoslav-Greek relations started to deteriorate after the Greek Civil War. The Yugoslav openly supported the Greek Communists, offering them sanctuary, supplies, weapons, and training. This, however, would change after the Tito-Stalin Split. The Greek Communists still remained loyal to Stalin and Yugoslavia cut off its support to them shortly after. This ultimately led to the loss of the communists in the civil war.

The post-civil war relations of the countries were based on mutual defence and political sympathy. Yugoslavia remained neutral over Cyprus but the relations of the countries remained sympathetic against any potential Soviet-backed threats. The Greek Junta, starting from 1967, damaged the Greek-Yugoslav relations drastically. The Greek claims over

Macedonia and the Macedonian claims over Greece resulted in strained relations between the countries.

6.3. Bulgaria

Bulgaria and Yugoslavia have always had tensions which were based mainly on the issue of Macedonia. Macedonia was first occupied by the Bulgarians after the First Balkan War but the Kingdom of Serbia captured the region after the Second Balkan War. The same happened during and after the Second World War which made Macedonia a major dispute between the two countries.

The Tito-Stalin Split made the Yugoslav-Bulgarian relations much worse due to Bulgaria's close affiliation with the USSR. This aspect of the foreign policies of the nations cooled down after Stalin's death but Macedonia was still a major cause of conflict between the countries. Despite these, economic partnership between the two grew and trade expanded.

6.4. Hungary

Like Romania, after WW2 Hungary fell into the influence of the USSR. Hungary and Yugoslavia already had border disputes and tensions related to the Hungarian populations in Yugoslavia. After the split of Tito and Stalin, Hungary condemned Yugoslavia for its "revisionist" actions. The border security was heavily guarded and militarized after these events. After the 1956 Hungarian Revolution that took place against the communist regime, thousands of Hungarians fled into Yugoslavia. Despite pressure from the USSR, Yugoslavia kept them in refuge and Hungary accused Yugoslavia of encouraging Western influence.

After 1956 things gradually improved, borders opened for limited transit, trade agreements, and more pragmatic relations. In 1968 the invasion of Czechoslovakia was approached with two different aspects from both sides, Hungary participated in the invasion

under the USSR's command while Yugoslavia condemned the actions. Despite opposing positions, both states maintained diplomatic stability. This action reinforced Yugoslavia's focus on sovereignty and Hungary's cautious approach toward independent socialist states.

6.5. Italy

At the end of the Second World War both states were on the opposite sides of the finished conflict and still had territorial disputes over Trieste, Istria and Dalmatia. The tensions grew as both states claimed the area and a near confrontational battle took place but it got stopped by the Allied intervention in 1945. The 1947 Paris Peace Treaty transferred Istria and several Adriatic islands from Italy to Yugoslavia. It also created the Free Territory of Trieste (FTT) which was divided into 2 zones; Zone A (Allied administration) and Zone B (Yugoslav military administration). Although set as a neutral buffer, the FTT became a symbol of mistrust: Italy feared Yugoslav expansion, while Yugoslavia accused Italy of protecting anti communist opposition groups.

In 1948, the split between Stalin and Tito made room for Rome to get in touch and talk to Belgrade with utmost caution. Italy saw Yugoslavia as a non-aligned state after the split. The 1954 London Memorandum effectively divided the Free Territory of Trieste as Zone A would go to Italy and Zone B to Yugoslavia and this has opened the doors for dialogues. Following the settlement of Trieste, both states started to collaborate in some economic fields together. In the 1960s, Rome and Belgrade developed a pragmatic partnership in maritime issues; fisheries, shipping, tourism, and trade. The Adriatic Sea became a shared economic space. Cross-border movements increased, and Italy became one of Yugoslavia's key Western economic partners. Cooperation on border management and anti-smuggling operations were also made.

6.6. Austria

Post WW2 Austria was divided by 4 major states. Even if Yugoslavia cannot be named as one of them, it had a crucial role in stabilizing the Eastern border of Austria since the tensions didn't fully come to an end. The Tito-Stalin split affected the relations positively because Yugoslavia was no longer a part of the Eastern Bloc.

Later on Austria became an important partner since it's geographically located between the two major blocs. In 1955 Austria signed the Austrian State Treaty which established the country as a neutral state. This act became a way of confidence for Yugoslavia to cooperate with Austria since Yugoslavia chose to not align with neither blocs. In the early 1960s the post-war economy and rebuilding of Austria led to the recruitment of foreign labour. A formal guest-worker framework was established with Yugoslavia, resulting in significant Yugoslav migration to Austria. By 1971, the Yugoslav population of workers was the largest amongst any foreign labor workers in Austria.

In 1967, Tito officially visited Austria. These meetings between the two nations symbolised the cooperation of a neutral state and non-aligned socialist federation. In October 1969, Austria and Yugoslavia jointly built a major cross-border bridge over the Mura River. The operation on the bridge was called the Friendship Bridge and it symbolized more than infrastructure, it was peace, shared development, and economic integration.

6.7. Romania

After WW2 both nations were under communist regimes. Romania was fully under Soviet influence while Yugoslavia was not fully under Soviet control. Despite having many things in common, the two states had rivalries due to their geopolitical interests. After the split of Tito and Stalin in 1948 the relations between these nations decelerated rapidly. This period marked their lowest point in terms of relations. Both nations, especially Romania,

started boycotting each other in every aspect they could. The frontline security between the borders maxed out from both sides.

After Stalin's death in 1953 the terms between the USSR and Yugoslavia became better off day by day under Khrushchev's regime. Since the influence of the USSR on Romania was immense, relations between Yugoslavia and Romania gradually became more cooperative. In late 50s and early 60s the relation between the nations expanded on good record. Cooperation was seen in areas such as; cross-border economic exchanges, the navigation and trade on the Danube, and scientific partnerships. By 1964 the Romanian regime started distancing itself from the USSR. This brought Romania closer to Yugoslavia which was seen as the independent socialist government free of the control of the USSR. Bilateral commissions and border agreements followed. Both states emphasized sovereignty, non-interference, and regional cooperation which made them strengthen their political alignments and principles despite ideological differences. In 1968 the Warsaw Pact was signed.

7. Ongoing Problems

7.1. Rising Ethnic, Religious, and Linguistic Tensions

Ethnic and linguistic unity were the basis of the formation of the Kingdom of Serbs, Croats and Slovenes. This changed with the formation of the Federal People's Republic of Yugoslavia (before 1974). The basis of the new federation was the "brotherhood and unity" of different groups.

The Federal Government's main goal was the promotion of "Yugoslavism" which meant the common Yugoslav identity that was beyond the individual ethnic, religious, and linguistic ones. This policy however, was not reflected in the policies of the Socialist Republics and Socialist Autonomous Provinces. They had the authority over the educational

and cultural institutions of their regions and they promoted their own ethnicities, cultures and languages. The division of the people especially in these aspects was inevitable due to the state's federal structure however the historic and political rivalries between different groups led to growing tensions instead of the "brotherhood and unity" that was intended for.

The "Yugoslav" identity was slowly growing amongst the people of the SFRY. The number of people that identified themselves as "Yugoslavs" was 273.077. The Yugoslav identity however was again not based upon the principles of "brotherhood and unity" but it was based upon the unifying figure Tito. The unity of not just "Yugoslavs" but other groups in the federation was also mostly centered about the leadership of Tito. The effects of the already rising ethnic, religious and linguistic tensions were prevented by Tito however his potential death had serious risks such as the emergence of the tensions between the different groups of the federation.

7.2. Regional Inequalities

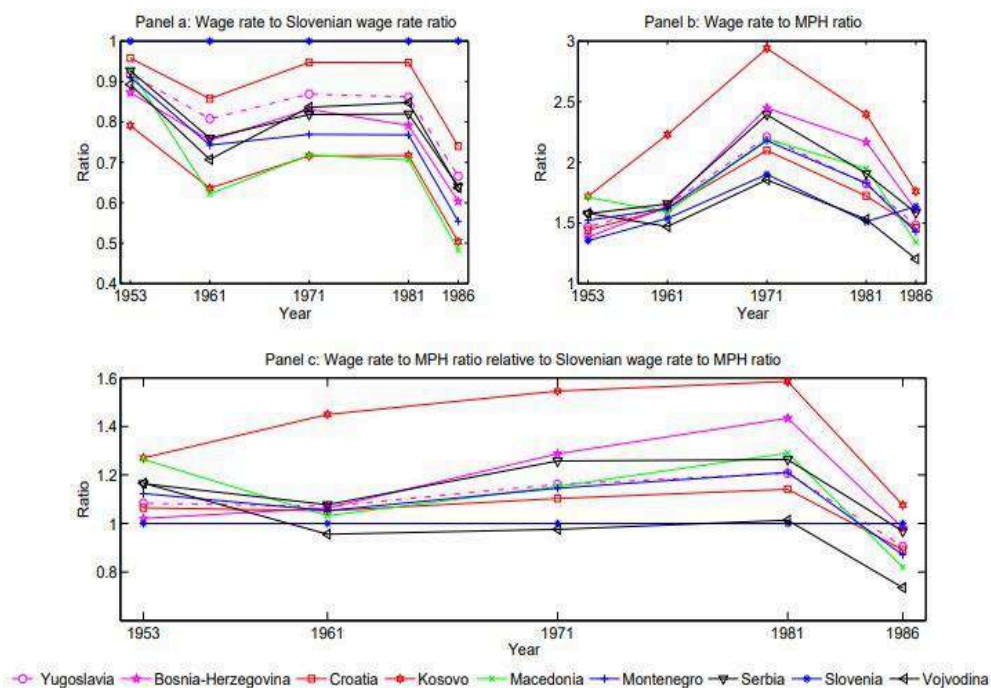
The decentralised structure of the Socialist Federal Republic of Yugoslavia was both a reason and an outcome of the inequality between the regions of the state. The economic structure of Yugoslavia granted more authority towards its SR's and SAP's over time. The 1965 Socio-Economic Reform and 1974 Constitution granted the federal units the ability to manage most of their economic development which resulted in the accelerated growth of the already more-economically developed northern regions, causing more inequality.

The Federal Government had to intervene in the regions with insufficient economic growth to prevent further inequality and protect the integrity of the federation. Many Federal Subsidies were given to the regions of Bosnia and Herzegovina, Montenegro, Kosovo and Macedonia. The plans to industrialize those regions stimulated the economies of those regions and helped their modernization and industrialization.

The Federal Government spent more of the Federal Budget on the southern regions which created opposition in the already developed regions such as Slovenia, Croatia and Vojvodina. This resulted in a division between the North and the South both in politics and economy. Economic nationalism was one of the main causes of the rising ethnic, cultural and linguistic tensions in the region.

The Federation didn't only suffer from economic inequality. The Southern regions had lower literacy rates and lower rates of participation in cultural activities which are both essential to a region's stability and growth.

Figure 9: Wage rate and the marginal product of human capital (MPH), 1953-86



Notes: Wage rate is hourly wage. Human capital is labour augmented by quality.

7.3. Unemployment and Labor Migration

Unemployment was growing in Yugoslavia rapidly. The workers rights and representation were protected in the federation however unemployment still kept rising

especially after 1965. The 1965 Socio-Economic Reform increased the market mechanisms and created an environment of competition. The worker unions and syndicates made it hard to fire workers so employees stopped hiring people. This was much severe in the regions with less-skilled workers, due to illiteracy and insufficient education, such as Kosovo and Bosnia and Herzegovina.

The industrialization of the country also caused major migrations to the urban centers. This both affected agricultural productivity negatively and changed the demographics of the major cities. The birthrates were especially higher in the Southern regions so those regions were suffering much severely from the migrations compared to the North. The unemployment made production much more efficient but the population got affected quite negatively from it.

Yugoslavia's rapidly growing workforce also migrated to foreign countries. Especially Western European countries especially needed workers to sustain the growth of their economies so a lot of Yugoslavians migrated to countries such as West Germany, Austria, Switzerland, Sweden and France. The Yugoslav Government encouraged the migration of local workforce to foreign countries for a couple reasons. First, the migrants that returned back to Yugoslavia brought foreign currency to the economy. This migration also reduced domestic unemployment. Nevertheless, the migration of skilled workers to foreign countries reduced the productivity of the domestic industries.

7.4. Problems with the Self-Management System

After Yugoslavia became distant towards the Soviet Union in 1948, the federation shifted its economy to a mixture of market economy and socialism. The economic system that was achieved by a series of economic and social reforms was called "Market Socialism" or "Self-Management Socialism".

The Yugoslav economy was growing in a considerably good phase however the major cracks of the economic system started to emerge after 1965. Yugoslavia's growth was based on exports, however its unbalanced imports, some regions imported heavily while the others hadn't, made it difficult for the economy to be sustainable. The rising inflation and debts in the 1970s nearly stopped the economy's growth. The main reason for this was the federation's inability to plan its economic development and its strategies against crises due to the decentralized economic system.

The Self-Management System of the nation was not working as planned because neither the federal government nor the SRs and SAPs were able to ensure the coordination between different self-managing organisations.

7.5. Growing Foreign Debt

The Yugoslav economy had a considerably low debt to GDP ratio which was around 20% before the 1970s. The economy was growing and the 1965 Reform had made the country a major exporter across European markets. This however would change in the 1970s. The 1973 oil crisis and Yugoslavia's inability to respond to it was an early indicator of the federation's economic inefficiency.

The global economy slowed down after the 1973 crisis and this affected Yugoslavia terribly because it was growing its economy based on exports and the crisis devalued the major Yugoslav exports in the global market. The 1974 Constitution decentralized the economy. This created a more "democratic" environment for the economy however the decentralization of the economic system resulted in the lack of coordination in economic development. The country always relied on debts to fuel its rapid economic development however it became unable to use its foreign debts as efficiently as before. The

country became too reliant on foreign debt to continue its industrialization and development. Yugoslavia's foreign debt nearly quadrupled between 1970 and 1980.

7.6. Potential Succession Crisis

From its formation, Yugoslavia was seen as “the country of Josip Broz Tito” both by its own people and the foreigners. This was not directly the case during the early years of the federation. Tito still had the supreme authority then and he was one of the biggest unifying factors. In the 1974 Constitution, Tito was declared to be the head of the state of the SFRY for life and this made him “the supreme leader” in legal terms.

Tito's presence aided the country in many different areas such as stability, governance efficiency and politically. He was the most prominent figure in Yugoslavia's struggle for independence during the Second World War and the head of the country for many years. The main problem with this however was Yugoslavia became too dependent on Tito's leadership to work properly. Tito was not necessary for Yugoslavia because he was a prominent figure but because he was the representation of unity for the people. Yugoslavia needed someone to be the “heir” of Tito after his death if they wanted to remain as the same country which they didn't have.

The potential death of Tito without a person or an institution to continue him would cause major problems in the country which may even lead to its breakup. To prevent a potential succession crisis after Tito's death, the federation needs someone or something to become the new authority and symbol of unity of the federation.

7.7. Fragmentation of the Defence Forces

The Defence Forces of the SFRY were structured as two separate entities. This caused a fragmentation in the national defence of the federation and often resulted in small-scaled conflicts between the two forces.

Territorial Defence Forces (TDF) were the armed forces under the authority of each SR of SAP. They took their orders from the Defence Council's of their SRs or SAPs. They consisted of company-sized militia groups that used guerilla tactics.

The Yugoslav People's (JNA) Army was the official army of the SFRY and they took their orders from the central government. They were loyal to the central government and the League of Communists of Yugoslavia (SKJ).

The JNA's leadership structure however didn't represent the whole federation. The reason for this was the disproportionate number of Serbs that were in officer positions of the JNA. This caused a general distrust against the JNA in regions such as Croatia, Kosovo and Slovenia. The Socialist Republic of Croatia was against the JNA more than any other region due to the events of the Croatian Spring which decreased the relations between the JNA and the Croatian people. This ethnic divide in the JNA increased the support of TDF amongst non-Serbian ethnicities which made the fragmentation of the defence forces much severe.

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