

THE ECONOMIC STRUGGLE FOR POWER IN TITO'S YUGOSLAVIA

Vladimir Unkovski-Korica, *The Economic Struggle for Power in Tito's Yugoslavia: From World War II to Non-Alignment* (London and New York: I. B. Tauris, 2016), 304 p. ISBN 9781780763286.

The Economic Struggle for Power in Tito's Yugoslavia. From World War II to Non-Alignment by Vladimir Unkovski-Korica is an outstanding contribution to research on real socialism in Eastern Europe. In addition, it has a very important role to play in the contemporary debate on workers' self-management and participation, a debate that has recently heated up in the context of the crisis of neoliberalism and the "return to Marx" in the humanities and social sciences that this crisis has provoked.

Yugoslavia, the country where workers' self-management became "a state paradigm,"¹ has always been a unique case in the landscape of real socialism. Once enthusiastically adored by the Western leftist intelligentsia – who enjoyed what Henri Lefebvre referred to as the "Dionysian" quality of Yugoslav socialism, which appeared more expressive and sensitive to human emotions than the socialism established elsewhere in Europe² – it became, in the aftermath of the country's bloody collapse, the object of negative stereotypes of underdevelopment and violence, for example, what Todorova has called "Balkanism"³ but what has also been called "Yugonostalgia."⁴ However, this book not only avoids falling into any of those traps but, in attempting to break with ideologized currents in the historiography of Yugoslavia, it offers a new look at the "Yugoslav road to socialism." At the same time, it makes a vital contribution to the analyses of the

¹ Goran Musić, "Workers' Self-Management as State Paradigm," in Immanuel Ness and Dario Azzellini (eds.), *Ours to Master and to Own: Workers' Control from the Commune to the Present* (Chicago, IL: Haymarket Books, 2011), pp. 172–207.

² Henri Lefebvre, "Socijalizam za vrijeme ljetnog odmora," trans. Sonja Popović-Zadrović, *Praxis: Filozofski dvomjesečnik* 2 (1965), no. 2, pp. 164–166, here 164.

³ Maria Todorova, *Imagining the Balkans* (New York: Oxford University Press, 2009).

⁴ Nicole Lindstrom, "Yugonostalgia: Restorative and Reflective Nostalgia in Former Yugoslavia," *East Central Europe* 32 (2005), no. 1–2, pp. 227–237.

collapse of the state, which other authors, in a Balkanist manner, “all too often [...] discuss in terms of primordial ethnic hatreds” (P. 231).

Questioning conventional interpretations presenting Titoist Yugoslavia as an alternative to both Western capitalism and Soviet bloc real socialism, it is argued that the Yugoslav model and its evolution “cannot be viewed as idiosyncratic” but as being closely tied to the global economic system:

Indeed, rather than seeing Yugoslavia as a challenger to the world market, and driven primarily by ideological commitment to equality, full employment or the withering away of the state, the book will identify the battle for catch up, played in Eastern Europe over the *longue durée*, as the main driving force of Yugoslav economic policy (p. 9).

Similarly to many post-colonial states (*ibid.*), the Yugoslav system, from its very beginning, “showed [...] a tendency towards the dependency on foreign capital for development” (p. 220). It was mainly Western and especially US capital that was the reason why Yugoslavia was “non-aligned but tilting West” (p. 230).

Adopting the theory of real socialism as state capitalism, as developed by such Marxist authors as Tony Cliff, Chris Harman, or Alex Callinicos, this book sees the Titoist regime, along with all other real socialist states, as a variant of a regime of capitalist exploitation of the working class. Analyzing this regime, the book refers to the works by Susan Woodward, an analyst of the Yugoslav economy, who as early as in the 1990s elaborated an argument that in Yugoslavia “[t]he primary objective of worker self-management was to have workers accept the consequences of declining productivity or net revenues and limit their incomes, and to have them decide which of their peers were not sufficiently productive.”⁵ Therefore, “[i]n fact, a primary goal of the introduction of workers’ councils in 1949–50 was to deprive unions of their bargaining power over wages” (p. 261).⁶ Once controversial,⁷ her works have recently gained great popularity among Marxist researchers working on the theme of the former Yugoslavia, and Unkovski-Korić defines them as “ground-breaking” (p. 220).

Adhering to this theoretical framework and based on detailed archival work, the book analyses in depth the conflict between the Communist Party of Yugoslavia (*Komunistička Partija Jugoslavije* – KPJ) and the working class, with the former striving to assure economic development through the growing exploitation of the latter, and the

⁵ Susan L. Woodward, *Socialist Unemployment: The Political Economy of Yugoslavia, 1945–1990* (Princeton: Princeton University Press, 1995), p. 220.

⁶ See Musić, “Workers’ Self-Management.”

⁷ John R. Lampe, “*Socialist Unemployment: The Political Economy of Yugoslavia, 1945–1990*. By Susan L. Woodward,” *The Journal of Economic History* 56 (1996), no. 3, pp. 723–725.

latter resisting it. This conflict is dated back as early as the very moment of the country's liberation by the Partizan Movement (*Narodnooslobodilački Pokret*) (p. 32).

The theme is approached chronologically. The first chapter is a careful reconstruction of the political and economic conditions of the period preceding the famous Tito-Stalin Split, exposing the developmental policy of the KPJ and the relatively independent character of that policy: "Even before the Tito-Stalin Split, it was clear that the Yugoslav Communist leadership believed it was building a 'Yugoslav Road to Socialism.' [...] The KPJ's domestic moves and economic plans were never dictated from Moscow" (p. 67). The chapter reveals disagreements between the KPJ and the USSR on the developmental question, the autonomy of the first Yugoslav Five Year Plan, and the fact that "Yugoslavia never underwent sovietisation" (p. 69).

The title of the second chapter clearly summarizes its content: *Tilting West: Self-Management in the Service of the Market, 1948–53*. This chapter provides a comprehensive study of the complex position of the working class. It carefully examines the relations between the Party, factory management, unions, and workers (skilled and un-skilled) on the shop-floor, exposing the intersections of their interests and their reactions to the process of implementing self-management, landmarked with the *Basic Law on Management of State Economic Enterprises and Higher Economic Associations by the Workers' Collective* in 1950. The Yugoslav workers' self-management is conceived here merely as an instrument serving to solve economic difficulties through the binding of Yugoslavia to the West and its market economy (p. 104). "New archival sources [...] reveal the extent of the intertwining of workers' councils, market reform and an open economy in the minds of the policy makers, at least a decade earlier than recognized in the historiography" (p. 87) writes Unkovski-Korica, stating that "[s]elf-management became the ideological *sine qua non* for the world market turn" (p. 99).

In the third chapter the position of labor in the period between the Stalin's death and the famous seventh Congress of the League of Communists of Yugoslavia (SKJ)⁸ is studied, especially in the context of the policy of non-alignment. The political role of unions as "a [...] major but unacknowledged force in politics" (p. 225) is emphasized and scrutinized. Following the complex foreign political and economic relations of Yugoslavia and their impact on the national economy, "the interplay between international events and domestic adjustments to market mechanisms" is examined (p. 115). Attention is paid to "the call for greater devolution of power" coming from below and being expressed by the unions (p. 126), but repudiated by the conservative tendencies which, especially, became stronger after the *Dilas Affair*.⁹ It is demonstrated that the workers' councils "had the function not only of empowering layers of skilled workers

⁸ Savet Komunističke Jugoslavije; the name of the party was changed in 1952.

⁹ The expulsion of Milovan Đilas from the party leadership following his fervent criticism on the alienation of the party bureaucracy from the population.

within the workplace, but, ironically, further legitimating the turning of one workplace against another in market competition in order to raise overall productivity” (p. 164).

The fourth and last chapter focuses on the clash between the conservative and reform factions in the leadership, following the miners’ strike in Trbovlje in 1958 and Tito’s attempts to advance decentralization and at the same time to hold tight political control on the federal level. It is argued that the process of the integration with the world market, along with the difficult balancing between the USSR and the USA, was deepening the domestic problems and finally led to Yugoslavia turning to the International Monetary Fund.

Those domestic problems included the looming, national tensions between the different republics of Yugoslavia: “As external pressure intensified, the republics closed off against each other more and more. Not only did they therefore develop different specializations with different markets in the Cold War, but superpower contestation also made the republic a primary site of the superpower struggle for supremacy” (p. 219).

The book provides an audacious, thoroughly documented, and comprehensive interpretation of self-management in Yugoslavia during its early years. It is therefore a must-read not only for historians interested in South-Eastern Europe but for anybody interested in workers’ self-management. At the same time it provokes a discussion, as it questions those Marxist anti-Stalinist analyses of Titoist Yugoslavia that unequivocally valorized workers’ self-management as a revolutionary achievement, “a bright manifestation of the socialist revolutionary tendencies in action”¹⁰ that was ultimately “perverted.”¹¹ And again, the discussion this book provokes is not limited to Yugoslavia – it brings back to the fore the fundamental question of the nature of real socialism. Last but not least, herein lies another great merit of this book.

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¹⁰ Ernest Mandel, “Tito et la révolution yougoslave,” *La Gauche* Mar. 20, 1980 (online at <http://www.ernestmandel.org/fr/ecrits/txt/1980/tito.htm> [accessed Oct. 25, 2015]).

¹¹ Catherine Samary, *Yugoslavia Dismembered* (New York: Monthly Review Press, 1995), p. 135.