

LIBERALIZATION IN YUGOSLAVIA

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LIBERALIZATION IN YUGOSLAVIA

A. Introduction

In any discussion of liberalization in Yugoslavia a basic fact should be reiterated at the outset: Yugoslavia is a dictatorship of a handful of leaders of the Communist Party having at their disposal all the well-known and efficient instruments of coercion and control characteristic of all Communist regimes. The iron law of such a dictatorship is the perpetuation of its own political power. These propositions have certain implications. First, the practical meaning of this iron law is that no policy initiated and implemented is intended to jeopardize the ruling hierarchy's power. Secondly, the luxury of freedom, properly speaking, is confined to these leaders in contradistinction to all other individuals in the country. Third, any degree of freedom enjoyed by the population at large is the result of abstention in the use of the instruments of coercion, and of dispensations by the leaders, calculated to strengthen their position of power and to attain objectives devised without recourse to the popular will. Whatever the effects of relaxed controls may be (in terms of increased popular freedom), there is little warrant to believe that they indicate a willingness, much less a desire, on the part of the leadership to submit their policies to popular decision, that, in brief, they intend to govern by democratic methods.

A word may be in order concerning the phenomenon of Yugoslavia's independence of the Soviet Union, asserted after 1948 and finally acknowledged as acceptable Communist orthodoxy by the Soviet Union in the joint Soviet-Yugoslav Belgrade Declaration in June 1953. This Belgrade Principle of a country's "own road to socialism" has been a matter of the Yugoslav Communists' devising economic and political forms of their own independent choosing which would, for various reasons, unmistakably distinguish their system from that of the Soviet Union and its satellites. The exercise of this independence cannot be regarded as an exemplification of, nor does it have any necessary relation to, democratization: freedom of choice is indeed exercised, but not popular choice.

This report reviews the liberalization measures undertaken in Yugoslavia as a result of her independence of the Soviet Union. It contains a brief, over-all survey of the motivations and content of liberalization, followed by separate sections which examine more extensively two major aspects of liberalization: developments in the economic and political spheres. A partially annotated bibliography of secondary sources consulted has been included.

The economic section concentrates on the institution of worker management of industrial enterprises as a concurrent phenomenon with organizational decentralization. Minute examination of this facet of liberalization seemed advisable first because it is the most highly publicized of the measures initiated by the Yugoslavs, and secondly because so many conflicting assertions are found as to what the facts and details really are. The results may be regarded as a conservative, "safe" assessment of the facts, which may well underestimate the extent of freedom actually prevailing. The assessment also is incomplete, since a serious attempt was made to avoid guessing where all evidence was lacking.

Because descriptions of organizational changes are more abundantly available and uncontroversial, they are not repeated in the political section of this analysis. Also, there are a few reliable reports and analyses on political practices, details of which likewise are not repeated, but are used rather to elaborate a hypothesis as to the probable political dynamics and the viability of the political system in Yugoslavia.

B. Survey

Three major reasons can be adduced for the development of a distinctive Yugoslav form of Communist regime, which resulted from the Communist leaders' initiative, not because of coherent popular pressure or a desire on the part of the leadership to introduce essential elements of democracy.

First, after the break with Moscow, Yugoslav denunciation of Soviet Communism as a departure from Marxism required that proof be given to the Yugoslav Party faithful (on whom the leaders

ultimately depend for their power) that their own system did not conform to the Soviet "distortion" of Marxism-Leninism. Without such evidence, Party loyalty and consequently the power of Party leaders could be seriously weakened if not lost. Consequently, changes were made with justification on the theoretical plane, achieved in good Communist style with appropriate citations and interpretations of Marxist-Leninist theses. The Party membership was reassured that Marxist-Leninist aims had not been abandoned, particularly the Leninist theory concerning the indispensability of a "vanguard of the proletariat," which was understood, practically speaking, by this vanguard to be preservation of their privileged economic, social, and political position.

Secondly, since economic salvation and defense against the threatening Soviet orbit rested with the Western powers as the only, though distasteful source of support, reforms were cast at least partially with an eye to Western, and particularly US sensibilities.

Finally, the extremes of terror and repression to which psychopathic Stalinism forced concurrence throughout the Soviet orbit were soon perceived by the Yugoslav leaders (and it seems, only after the death of Stalin by the Soviet and satellite leaders) to be unnecessary, and even detrimental, to the maintenance and increase of power. Thus the Yugoslav leaders, once assured that their means of maintaining power (Party loyalty and responsiveness to orders, secret police, armed forces, etc.) were reliable and that, therefore, their positions were not seriously jeopardized, departed from some of the extremes of Stalinist practice and felt it safe to relax some controls and to experiment with policies of their own choosing to strengthen their own position and achieve their aims. These experiments were designed to meet the carefully calculated practical exigencies of Yugoslavia's unique international and domestic situation. (It is immaterial for immediate purposes to inquire to what extent ideological convictions guided or influenced the formulation of the new policies and to what extent the theoretical elaboration of the policies were cynical rationalizations of power politics.)

Thus, in brief, the requirement of continued Party support, the necessity of wooing the West, and the emancipation from Stalinist manias with consequent reevaluation of what Marxist

possibilities would best suit the practical requirements would seem adequate to explain the evolution of the Yugoslav system, including those aspects of its evolution which actually can be called "liberalized." That the administration of the political, economic, and cultural life of Yugoslavia has indeed taken on new distinctive forms can hardly be denied. However, Party members or members of Party-controlled organizations throughout the country still hold every essential position in administration. It seems safe to say that "democracy," at least for the population, for the most part is spurious, and where it exists, it is an incidental if not accidental result of the new forms. The practical meaning of the Belgrade Principle has turned out to be that the Yugoslav population will be controlled and dominated by indigenous Communists rather than Russian Communists, but domination remains constant.

The major changes in form of administration which have given rise to the notion and label of "liberalization" in Yugoslavia are: economic decentralization and worker management of industry, decollectivization, reformed electoral laws and practices, a greater role for parliament, access to Western ideas, a less obtrusive secret police and informer system, and restraints on the arbitrariness of local Party bosses. But with all these liberalization measures, all the essential means of control are preserved intact; they are simply not as obtrusively and repressively used as formerly. The degree to which rigid, centralized controls are relaxed seems to vary in inverse proportion with the degree to which a threat to the continued power of the ruling elite is judged by them to exist. For example, the real emancipation of the economy from direct, central control is permissible because it admittedly represents no threat to the continued power of the rulers. However, any genuine implementation of the democratization implied in the changed political forms is achieved only against the active, even strenuous opposition of the higher level Communists, since any substantial expression of political views (even of avowed Communists) independent of those intended by the leaders is regarded as dangerous. The Djilas incident is proof of this thesis. If loyal Yugoslav Communists are not permitted to organize a "loyal opposition," how much less can the non-Communist majority expect to find means of political self-expression.

The various liberalization measures are explained by one or more of the three reasons given above. Thus decentralization

of industrial control and decollectivization is correctly judged by the leadership, as politically innocuous; also, they had the practical aim of increasing production by exploiting the profit motive, as is admitted, at least in private, by Yugoslav leaders. The broadening of political activity and participation besides being palatable to the United States, may have been a cautious venture into the unknown, testing the relative safety or danger of permitting some limitation of the arbitrary power of the leadership. Thus, the electoral laws (permitting multiple candidates, nomination of candidates in open voters' meetings or by petition, a more nearly secret ballot) may have been a test of the popularity of Communists with the populace. The greater activity of parliament may have been an effort to utilize the abilities of loyal Communists to achieve more effective legislation and administrative procedures. It is an exercise in intra-Party democracy, the limits of which were clearly prescribed in the Djilas affair. The greater access to Western culture and information may be regarded as a distasteful innovation permitted as an unavoidable courtesy in recognition of United States economic and military assistance. The omnipresence of a secret police and informer system can hardly be doubted, but brutal and obvious use of it would be at once unnecessary and damaging to Yugoslavia's foreign reputation. The restraints on local Party bosses are more difficult to explain, but may be an attempt to make the Party more popular and to permit a more unhampered expansion of production on the basis of private initiative and profit incentives, without the arbitrary interference of Party bosses.

Such facts do not deny the meager but real and welcome benefits accruing to the population. Without being ignorant of the omnipresence of the secret police and informers, the population seems less fearful of them, presumably with cause. They enjoy personal and informal access to Americans and presumably other Westerners, as long as some discretion is used. They seem relatively free to acquaint themselves with the literary, dramatic, graphic and musical culture of the West, and hence with the ideological values and ideals underlying them. The non-Party working population can be and sometimes is partially and indirectly benefited by decentralization of economic administration and so-called worker management. Regional needs are given more chance for expression and realization by virtue of increased local authority at the expense of the central administration; and enterprises, through workers' councils dominated by Party and trade union members, have considerable voice in the administration of the enterprise and in the distribution of profits. Farmers to a larger extent than previously have the satisfaction of owning their plots of land, though whether their

economic situation (or that of the industrial worker for that matter) is substantially better may be questioned. Serious attempts seem to have been made to curtail the exercise of arbitrary authority and abuse on the part of local Party bosses, so that while they remain bosses, they seem increasingly required to exercise their authority with more discretion and restraint.

The concept of a country's "own road to socialism" has proved to be in Yugoslavia's case an example of Lenin's often cited dictum: "The transition from capitalism to communism certainly cannot but yield a tremendous abundance and variety of political forms, but the essence will inevitably be the same: the dictatorship of the proletariat." (State and Revolution) By this, Lenin understood and practiced dictatorship of the Party. That the "road" in the Yugoslav instance led to a kind of liberalization is a poor indication at best (1) that the liberalization will embrace more aspects of Yugoslav society (such as freedom of religious institutions) or will become a difference in kind rather than degree; and (2) that the "road" would lead to similar developments if applied in the satellites. The Yugoslav leaders have found it possible to institute theoretical and practical changes without noticeably jeopardizing their power and freedom of action, though they may have received a scare from the maverick Djilas' "reductio ad absurdum" of trends they had initiated. The circumstances surrounding Yugoslavia's evolution and influence permitting liberalization (consciousness of the leadership, initial seizure of power comparatively independently of Moscow, forced dependence on Western aid) need not be repeated in the satellites.

Communist regimes exercising real independence of Moscow direction are probably more desirable than Communist regimes subservient to Moscow. The possibility would be greater that such regimes would make mistakes, and that a Djilas-type aberration might be successful. But it cannot be assumed that a successful break from Moscow would necessarily lead to liberalization of the regime, making life easier for the population or leading to more real forms of democracy.

C. Economic Decentralization and Worker Management in Yugoslavia

1. Introduction

One of the most highly publicized of Yugoslavia's so-called liberalization measures is the decentralization of economic control and the substitution of worker management of industrial and other enterprises. The Basic Law of 2 July 1950 decreed the establishment of the new system. Concurrent and subsequent legislation in fact achieved organizational decentralization by the abolition of many federal and republic economic ministries. To what extent this organizational decentralization was accompanied by actual withdrawal of the State from control of the economy is a matter of some complexity. It is the purpose of this survey to determine whether the potentialities for a broader base for economic decisions inherent in this organizational decentralization have been actualized, and to what extent such a broader base means a popular base beyond the control of Party, trade union, and local governmental organizations, which are theoretically and, with some qualification, practically speaking, subject to centralized discipline emanating from the Communist leadership.

The method to be pursued is to review the essentials of the theory on which the new system rests and then to examine some aspects of its practical functioning (generally the discussion relates to the situation in 1954 and 1955). In the latter examination, an effort will first be made to determine in what respects enterprises exercise independence of decision and action, and then to determine the role of Party, trade union, and local government organs in the "worker management" of enterprises. (If the exposition seems a belaboring of propositions widely accepted as obvious truths, such a procedure nevertheless seems warranted in view of the half-truths and contradictory judgments so frequently propounded on the subject.)

It may be pointed out that there is no inherent contradiction between the Party leadership's granting greater freedom in the economic sphere and the "iron law" requiring perpetuation of the leadership in power. In fact, inasmuch as the new economic system was instituted from above and not apparently forced by pressure from below, it may be assumed that the new freedom decreed in the economy was intended to strengthen the leaders' position or at least not to jeopardize it. This freedom may be viewed merely as a new way of achieving the long-standing objective of greater economic production, though it seems true that some of the more unrealistic goals of industrialization have been modified, postponed, or abandoned. The new way is to

offer workers more acceptable real or illusory incentives to produce more.

2. Theory

The principles by which the system of worker management functions is conveniently afforded by an article in the International Labor Review of January 1955, written by Radivoj Uvalic, described as a former professor at the University of Belgrade and at the time of writing, Yugoslav Minister to Norway. The description thus represents an authoritative official Yugoslav view of the system written for non-Communist readers, and shows it in the light that the Yugoslav regime would approve. It can be taken as a reliable account of the theory and includes recent modifications of the Basic Law which forms the basis of Uvalic's exposition. In many respects the account is corroborated by independent, less prejudiced observers, though it leaves much unsaid.

The Basic Law, 1/ according to Uvalic, turned over the "administration of the public property to the workpeople" without, however, affecting ownership of public property, "which continued to belong to society as a whole." Thus, though features of a private enterprise system have appeared, as will be seen below, they do not extend to the matter of private ownership of business, which is virtually non-existent.

The decentralization was on a broad scale, allegedly affecting manufacturing, mining, communications, transport, commerce, agriculture, forestry, and other economic enterprises.* Uvalic admits that in the previous system a relatively small number of persons representing state authority exercised decisive power in the administration of the economy and were able to use coercion, thus allowing for the possibility of measures "not consistent with the interests of society as a whole." These dangers are alleged to be largely avoided in worker administration.

"The workpeople in an undertaking are not sufficiently powerful on their own to be able to impose their will on the whole of society. If an undertaking's production and marketing methods are not attuned to the needs of society, it will be compelled to modify them by the market itself, that is, by competition from other undertakings. Unless the undertaking enjoys a monopoly, it

* Decentralization measures excepted, and continue to except, certain basic industries and enterprises but nevertheless were applied quite extensively.

cannot impose its condition on the market as the State can. It will thus have to show more adaptability in order to satisfy market demands more fully, reduce production costs and sell its products at lower prices."

(It is interesting to note Uvalic's apparently inadvertent confirmation that workers or the worker management system cannot jeopardize the power of the regime.)

The basic institution intended substantially to replace the previously centralized control and administration of industry by the state apparatus is the workers' council. The members of the workers' councils are elected by all the factory workers and officials by direct, secret ballot and vary in number from 15 to 120 members, according to the size of the enterprise. The council itself elects a management committee to act as its executive agent; the committee varies in size from 3 to 11 members and includes ex officio the plant manager. Elections are held annually. Real worker participation in management is assured by requiring that 75 percent of the members of the management committee must be drawn from employees directly engaged in production.

The scope of responsibilities of each component involved in administration of the enterprise (workers' council, management committee, and manager) are described by Uvalic as follows:

"In addition to electing the management committee and appointing and removing managers, the workers' council is responsible for various important matters, such as approving the plans and balance sheet of the undertaking, taking decisions regarding the administration of the undertaking, examining and reporting on the reports of the management committee, studying the more important of the specific measures to be taken, distributing the disposable part of the undertaking's net income and issuing rules of the undertaking....

"The management committee is responsible for various matters such as preparing drafts of the basic plans, watching over the proper functioning of the undertaking, preparing drafts for internal organization and job classification, taking steps to promote production and improve qualifications of workers and officials and for measures for the protection of workers, social insurance, and so forth. It is also responsible for the execution of the plan and the good management of the undertaking....

"The manager is ex officio a member of the management committee, to which he is answerable. He engages workers

and appoints all officials in the undertaking except those for whom special provision is made. He is also responsible for decisions respecting dismissal. Workers and officials have the right to appeal to management committee of the undertaking against any decision regarding dismissal, and the committee's decision is final. The manager of the undertaking is responsible for allocating workers and officials to various posts and for prescribing their duties. He also concludes contracts and allocates the working capital under the economic plan in accordance with the resolutions of the management committee. The manager also represents the undertaking before the public authorities and in relations with individuals and bodies corporate. If he considers that a resolution of the management committee conflicts with the law or the general plan he must without delay inform the public authority concerned, which must issue its decision within ten days."

Some of the key features of workers' council powers in this statement are the power to hire and fire managers, distribute profits, draft basic plans, dismiss workers, and the manager's independent responsibility for reporting infractions of the law. Little has been found concerning practices in the last two items, but the first three will be further elaborated.

It should be noted that there seems to be no clear line of distinction among some of the responsibilities of the workers' council and those of the managers, and Uvalic lists this among others as a problem requiring solution:

"...new regulations will have to define more clearly the functions of the various organs, particularly those of management committees and managers of undertakings. In practice these have sometimes come into conflict, either because the manager has tried to settle matters within the jurisdiction of the management committee or because the management committee has underestimated the importance of the manager's functions."

It appears in Uvalic's account of the system that each individual enterprise exercises autonomy also by determining wages, prices, and as already noted, by the distribution of enterprise earnings of profits. Uvalic also states without elaboration that enterprises enter into contracts with other enterprises independently.

Wages are fixed according to the volume of production and prices planned by the enterprise. "Higher trade union bodies"

enter the consultations on fixing wage scales for the various categories of workers, and disagreements are arbitrated by the state. The alleged reason for trade union interjection in this respect is to prevent excessive differences in wage scales from enterprise to enterprise. A fixed minimum wage rate for the various categories of workers was set by the Ordinance of 5 March 1952; enterprises failing to make enough profit to meet these minimum wages were given credit by the state. Uvalic indicates that a new ordinance is under discussion whereby credits for meeting a payroll will be sought from the Bank instead of the state, and provision is made for consistently unprofitable enterprises to go into receivership. This provision would seem to indicate that enterprises must be on their own and must produce and be managed relatively efficiently in order to continue to exist. Presumably inefficient enterprises were making up their deficiencies by the simple expedient of applying and getting state support ("credits").

Amount of pay for workers depends in part on the total profits made by an enterprise. After normal taxes are met, the enterprise decides what portion of the remaining surplus will be distributed as a wage bonus. Allegedly it frequently occurs that enterprises show a profit distributable as wage bonuses as a result of higher production or higher prices. To discourage distribution of excessive profits in the form of wages, a situation carrying inherent inflationary tendencies, the state levies a "special progressive tax" on such bonuses. An enterprise is thus encouraged to follow the alternatives of plowing profits back into the enterprise or contributing to public works in their own locality. This progressive tax is a justified measure, according to Uvalic, because it became evident at the end of 1952 that profits resulted from higher prices rather than higher production.

Fixing of prices is not discussed as such by Uvalic as an autonomous function of the enterprise, but it is implicit in the discussion (as in the summary above) that enterprises do decide prices essentially on the basis of what the market will bear. However, the state indirectly influences price policy by determining in advance what percentage of wage funds it will require from an enterprise or groups of enterprises. This percentage is tantamount to federal taxes; it is described by Uvalic as being required for the "general needs of society."

Thus in distribution of income, the workers can choose, after regular tax obligations, among distributing profits as wage bonuses (taxable at a high rate), investment in the enterprise, or contributions to local public improvement. Uvalic states this last alternative thus: "...a certain sum of money is put at the disposal of the town or district people's council

for specified public works. This allocation too is characterized as covering the 'general needs of society.' It is not clear what incentive workers have for choosing to contribute their earnings to local improvements, apart from local pride perhaps. Intentionally or not, Uvalic is vague on this point, choosing to emphasize that the workers participate here too in deciding how such funds for public works will be utilized.

The institution through which workers participate legislatively in local economy is known as the council of producers, an elective body established by the Constitutional Act of February, 1953 and representing a second house of the legislature on the Republic and federal level. Quoting Uvalic:

"In all districts and towns, councils of producers are elected by the workers and officials in industry, agriculture, handicrafts, transport and commerce. In common agreement, and on an equal footing with the district and town councils, they decide on all matters in the area for which they are competent and may undertake the solution of particular problems on their own initiative. The councils of producers consist of representatives of the workpeople, elected in proportion to their contribution to total production in the territory of the town or district....under the new constitutional system no decision on economic matters can be taken at district, town, republic or federal level without the agreement of the representatives of the workers and officials who are immediately concerned in the production and exchange of goods.... In the undertaking they [the producers] decide on the use to be made of that part of the undertaking's income at their free disposal, and in the councils [of producers] they have a share in decisions through their elected representatives."

The relation of the centrally developed annual economic plan to the alleged autonomy of individual enterprises in Yugoslavia is of considerable importance in determining the objective facts of such local freedom. It will be useful to cite Uvalic at some length on this matter since his discussion encompasses in short span the standard view, again corroborated in the opinions of qualified independent observers, but difficult to confirm or contradict as a matter of practice.

"The management of undertakings by workers has led to changes in the planning system. The social plan worked out at the beginning of each year no longer fixes the total volume of production, with detailed provisions regarding its structure, distribution and so forth, as was formerly the case. Under the new conditions only the

general outlines are set forth in the social plan, and the methods necessary for carrying out the plan. In the Yugoslav economic system this is called planning the basic proportions. The plan is drawn up by the supreme federal representative bodies and by the organs of the federated republics with the participation of the councils of producers (under the new law which has already come into force). The general plan determines the size and distribution of the total national income, compulsory minimum standards for the utilization of productive capacity in various types of economic activity, the means of carrying out the yearly investment programmes and the percentage of their net income to be contributed by the different undertakings towards the general needs of society. Investment resources under the plan are of two kinds: compulsory investments for the creation of certain undertakings determined in the plan, and free investment resources made available to economic undertakings and institutions in the form of credit. When the social plans are being drafted any undertaking may make observations and objections to the National Assembly with regard to its obligations under the plan. The decision lies with the National Assembly, which must give its reasons.

"The planning system has thus become much more flexible. While making provision for the fulfilment of essential economic tasks and for the necessary co-ordination of production in the various industries it leaves enough freedom to undertakings to permit wide initiative in adjusting to market requirements. Each undertaking draws up its own work plan on the basis of its obligations under the social plan with a view to the most efficient management of its activities and the rational utilization of the means at its disposal. Contracts with other undertakings in Yugoslavia or abroad are freely entered into by the undertaking for the fulfilment of its plan.

"The fact that there is a social plan to which undertakings are obliged to conform undoubtedly places certain limits on independence of management. It should not be forgotten, however, that these limits are concerned with the proportion of the undertakings' income deducted to meet the common needs of the nation, which occurs under any form of economic organization in the form of taxation, or with the compulsory performance of certain operations considered to be essential to the economy as a whole, for which the necessary credits are

provided to enable the undertakings in question to expand their productive capacity. Such operations are mostly carried out by new undertakings created for the purpose. The minimum standards of utilization of productive capacity imposed on undertakings under the social plan constitute an obligation of a theoretical rather than a practical nature, since it is in their own interests to raise production as much as possible. No difficulty in this respect has occurred up to now in the operation of the social plan."

3. Practice

From Uvalic's whole exposition, it would appear that organizational decentralization has meant practical delegation of authority for various important economic matters to the level of enterprises themselves. Illumination of several of the more pertinent elements of the theory is attempted below from the vantage point of the personal experience and, in some cases, first-hand systematic study of disinterested observers who can be taken as reporting in good faith, even though not always with meticulous accuracy or complete insight. These elements are: the status of managers; determination of wages and prices and the existence of a free market economy; determination of what goods are to be produced; method of establishing new enterprises; and the relation of the annual economic plan to enterprise autonomy.

First-hand observations by westerners (scholars, students, journalists, officials, and other individuals) of the operation of the worker management system are relatively few and often contradictory. Some aspects discussed by Uvalic, which might be considered crucial, are not dealt with at all by the observers (e.g. precise interaction of local government organs and enterprise authorities, practical authority in the dismissal of employees.) Consequently, confirmation or refutation of the theory can hardly be said to be conclusive from such observations, but they may afford a more coherent and accurate approximation of actual conditions than would be available from biased Yugoslav statements or from the estimates of any single unbiased observer. Pertinent information can be checked against Uvalic's assertions given above.

In the matter of hiring managers, the original provision of the Basic Law of July 1950 (see article 8) provided for appointment of managers of factories by a "competent state organ." Uvalic had asserted (in a self-contradictory statement) that earlier the manager "was elected by the workers' council and appointed by public authority," but went on to say that

"this measure has lapsed in practice and managers are now elected quite independently by the workpeople." This assertion would seem of doubtful accuracy and is modified by a recent statement by Vice Premier Kardelj writing for Foreign Affairs. He indicates that the appointments are made officially by the local People's Committees as one component of a commission including representatives of the workers' council and "professional organizations" who jointly select a manager from available applicants. ^{2/} This power of the people's committees (Communist-dominated) is confirmed by Western observers, though some have gained the impression that managers are elected by the workers' council.

While it is doubtful that workers' councils have the essential, much less exclusive, authority for hiring managers, there seems little doubt that managers can be and are fired by them. Fred Warner Neal in the course of a paper ^{3/} resulting from an extended visit in Yugoslavia and systematic first-hand study of the workers' council system cites instances of the relations of workers' councils and managers:

"Another characteristic use by the workers of their new power has been in regard to plant managers. In general, these directors still are the bosses of their factories. However, the number of replacements has nearly tripled in the past three years chiefly because workers' councils have exercised their prerogative to fire managers. The Ivo Lola Ribar Zelenik, the biggest machine factory in Yugoslavia, for instance, has had six directors since 1950. There was a considerable stir in Belgrade this fall when YugoPress, an officially unofficial news agency, fired its director, who happened to be prominent in Party affairs. It is officially denied that the workers' councils' power over managers interferes with operations, but it is difficult to see how it could be otherwise. The law is vague regarding the exact division of authority, and where there is friction between manager and workers this ambiguity is often a source of trouble. [This last statement confirms Uvalic's similar assertion.]

"The manager of a furniture plant in Montenegro, Jajo Radunovic, who has held his present post for three years, discussed with me his relations with his workers' council. He seemed well disposed toward the council although he complained that since its advent he has had to double the amount of time he spends on personnel relations. He said he had doubts about the workers' council system when it started. Even now, he said, 'there are some problems. My job is harder now, no

doubt. But I get more cooperation. In any event, the proof is in our increased production and profits."

Conversations with factory managers have served to confirm the fact of this aspect of power of workers' councils over managers. Managers are cited as being in extremely nervous states for fear of losing their positions, and often find themselves caught between trying to please the workers' council below them and governmental authorities above them. Occasional reports of a high incidence of dismissals of managers and the consequent threat of federal intervention to prevent such excesses leave little doubt about the exercise of this aspect of enterprise autonomy.

It is not known how prevalently or on what grounds this prerogative is exercised, but a frequently noted phenomenon is the dominance of the manager (perhaps in technical-administrative matters) over the workers' council in the joint meetings required by law. It is perhaps to be expected that inasmuch as the manager should be better educated and technically more competent than the workers, he would frequently dominate, especially in technical-administrative matters. This domination is even admitted by Yugoslav officials. They present it primarily as an educational problem and point to the fact that trade unions give courses in the elements of economics and management in order to raise the level of sophistication of workers in these matters, thus to prepare them for a more genuine voice in management. In admitting instances of manager domination, officials convey the impression that the workers have not realized the power they have and merely do not exercise it out of ignorance of technical matters or out of baseless fears of offending Party requirements. Both reasons may well have an element of truth, though the second will be discussed more extensively in Section 4. One observer whose aim seems to have been to seek out the shams in the practice of worker management reached the reasonable and acceptable conclusion that there is considerable variation in the practice: in some factories the government-approved manager dominates a passive workers' council; in others the workers' councils are quite active and have a considerable voice in factory policy.

In the matter of setting prices, Uvalic's implication that Yugoslav enterprises are free to set prices seems true with some qualification besides Uvalic's own (regarding indirect government measures). According to one responsible source, the Yugoslav government imposes price ceilings on some commodities; this measure may stem from the understandable concern with preventing inflation. The same source concludes that enterprises can exercise considerable freedom and initiative within the limits of the general laws and decrees of the country: "For

example, unless there is a specific price ceiling set for a product, an enterprise can set its own price, whereas under the old system, all prices were determined by the State."

Besides free prices, the existence of competition among enterprises for markets is an element of a free market system, though the former implies the latter. Little reliable information has been found on this sector, though a Yugoslav official in a private interview is cited as saying that ideally there should be competition, and "even in practice to a certain extent, there is competition among enterprises." Other observers have commented that in respect to a free market, the Yugoslav economy is still in its elementary stages.

In view of these practical qualifications of the theory, a sweeping statement made by Fred Warner Neal on the latitude enterprises have in setting prices, wages, determining production, etc. needs modification in the interest of accuracy. Neal states: "To a considerable extent, all business enterprises in Yugoslavia, from factories to department stores, are free to do what they want to, as long as they make a profit. They can produce what they like and sell their products for whatever prices they like. They can fix wages, invest in new plants, and even export and import."

Thus in regard to wages, Uvalic himself noted the fact that trade unions help set wage scales, and there can be little doubt that their recommendations would prevail and reflect central government desiderata. But again, wage scales set a floor and a ceiling on wages for various categories of workers, but the actual amount distributable and distributed are at least legally outside the jurisdiction of trade unions and depend on decisions of the workers' councils. Limitations by means of the "special progressive tax" on the amount of wages distributed were admitted by Uvalic. Neal's additional comment is enlightening:

"....When a plant's wage payments reach the maximum, the People's Committee is directed to apply certain tax rates to the plant's profits. In extreme cases the tax may be 90 percent of profits. However, the People's Committees have not proved to be 100 percent efficient as an enforcement agency, with the result that, in some unusually profitable sectors of the economy, wages have soared above the maximum contemplated in the plan.

"We have then evidence of the possible malfunctioning of procedures established under the decentralization

policy. Many workers receive wages well under the "minimums" set for the industry in which they are employed; some receive well over the "maximums".

"As an illustration of the extremes possible, wages paid in June (1955) to the Mladi Jugoslavski distillery in Split were 64 percent above the maximum while in the Stvarnost canning factory near Zagreb some workers on a minimum wage of 6,000 dinars a month actually received only 3,500." 6/

Little has been found to corroborate or contradict Neal's assertion that enterprises 'can produce what they like.' This may be true within the severe limitations of what a factory is geared to produce and what it is committed by the social plan to produce. However, in the establishment of new enterprises under private auspices (discussed below), one might expect considerable latitude of choice on what is to be produced.

Establishment of new enterprises on private initiative and funds was expected by a correspondent of the New York Times in 1953:

"A large number of decrees have been issued whose effect should be to permit individuals to form enterprises through their own funds. Investors will have no say in running the enterprise by virtue of their investment; it will be run by Workers' Council according to rules approved by the local People's Committee. Investors will have a share in the profits if any, subject to taxation. Their only privilege is to withdraw their investment with interest which would be no higher than the prevailing rate. Investors also will not own the machinery used by the enterprise: it will be disposable by the People's Committee.

"It is not expected that large scale enterprises will be formed this way, but rather smaller, handicraft groups employing a small number of people will concentrate on consumer goods and will have an opportunity to make a profit. Investors have the assurance that for specific periods of time the enterprise will work for them." 7/ Interviews with Yugoslavs involved in such undertakings tend to confirm the existence of such an entrepreneurial system.

Neal's account corroborates at least the fact of independence of federal control on the part of enterprises thus established:

"The federal government has no direct control over the creation of new enterprises or of their operations once they begin. To create a new enterprise, the republic parliament or the People's Committee forms an "investor's group" - usually comprising about a dozen engineers and technical experts--and grants it credit for building and equipping a factory. Once this is done, the enterprise automatically becomes a collective under a workers' council, and competes with other firms." 8/

This suggests that the usual source of founding capital is the local government organs.

Local power vis-avis the central government is evident also in Neal's description of procedures in granting short-term credits for enterprises from sources other than profits.

"Under the law, when loans are underwritten by the republic parliaments or the local People's Committees, the (central) bank has no alternative to a grant of credit. The bank can fix the interest rate so that, as with general investment credits, only firms offering certain rates get credits. At each of the seven credit offerings this year (1954), the bank has raised the interest rate. What has happened, however, is that firms which lose out at one bidding simply offer a higher rate next time. The result is the anomalous situation of a rising interest rate and at the same time an expanding volume of credit." 9/

That the role of the centrally organized annual economic plan (the "social plan") as a basic law requiring conformance at all levels has changed since decentralization is doubted not even by the most skeptical observers. What all observers agree on is that planning has changed from a matter of deciding volume of production on the basis of directives from the center to a general estimate from the center as to what the various sectors of industry can or will produce and as to the production capacities of individual enterprises.

After the initial statement of these "basic proportions" from the center, the annual plan is evolved with participation, presumably by discussion and decision, on the enterprise level itself and moving upward from the local People's Committees to the republic governments and finally the federal level. What seems to have remained obscure to serious investigators is the interaction among the various levels.

One statement of the nature of the social plan, its evolution and the control mechanisms of the federal government

is given by Fred Warner Neal:

"Despite the decentralized, competitive system, the federal government does draw up a plan for operations of the economy and attempts to direct its fulfillment by a series of so-called 'basic proportions.' The plan assumes, from available statistics and from the plans of the republic and city bodies, that certain amounts of certain products will be produced. It does not, however, set production goals, and as one harassed Yugoslav economist put it, the economic plan is in many ways more of a prayer than a plan. The 'basic proportions' under federal control include a limited control over total investment; allotment of a large sum of 'directed investment' into certain specific plants; control of the interest rate on bank credit (the only source of new funds to an enterprise except its profits); some control of wages; and a flexible turnover tax on profits. Not officially included as 'basic proportions,' but nevertheless an integral part of the state economic apparatus, are an incredibly complex series of tariffs and foreign-exchange regulations....

"The Yugoslav plan is worked out by the federal economic authorities in cooperation with republic planning boards. These republic boards base their plans to a considerable degree on planning by the People's Committees. The People's Committees in turn base their economic plans on the plans and capacities of the individual enterprises. Despite legal autonomy in planning, only one or two minor instances of disagreement have been reported, although it is only fair to point out that interminable conferences between planning experts at the various levels precede the final version of the plan which is adopted by the Federal Skupstina or parliament. 10/

Other responsible descriptions of the plan vary in minor detail, some ascribing in a vague way more control to the federal government without being able precisely to define the mechanism by which this is exercised. Even these more skeptical statements inadvertently admit the dependence on ("encouragement" of) local initiative.

Despite decentralization there is a possibility that on the production targets remain, in effect, mandatory. In local conferences on the proposed plan, Party and trade union dominance in the enterprises and Party dominance in the local

government apparatus could enforce and insure acceptance of centrally devised targets. Whether this is a true reflection of the dynamics of planning, it must be emphasized, is hypothetical, since direct evidence is lacking. Much would depend on the conduct of the "interminable conferences" to which Neal refers above, though their length would seem to suggest persuasion and bargaining instead of cut-and-dried, uncontested orders handed down from above. Furthermore, the amount of acceptable evidence that enterprises and local organs exercise a certain degree of autonomy would seem at variance with the notion of a comprehensive, mandatory, central directive determining production goals. Such factors as the existence of a limited free market with flexible prices and competition acting as regulators of amount and possibly kind of production, the local prerogative in establishing new enterprises, and the phenomenon of "particularism" would seem to limit absolute control of production by means of the social plan.

4. Role of the Communist Party

Thus far a picture emerges of enterprise autonomy in some sectors of the economy, in some aspects of determination of policy, and probably with considerable variation from enterprise to enterprise. This Neal though limited freedom for enterprises means independence from central government direction and authority. However, it is pertinent to ask whether this autonomy is exercised by the worker population at large, or by the Communist Party portion of it only, omnipresent in trade unions and government apparatus. Uvalic does not discuss the distinction either because as a dutiful doctrinaire he admits of no distinction, or because as a propagandist writing for a Western audience, he finds it too difficult to explain credibly and therefore expediently avoids discussion.

That the Party dominates in the economic as well as the political sphere is not doubted by any of the observers studied, though some merely make the assumption while others give a more detailed picture of how party dominance is implemented. Perhaps the best evidence of Party domination is the occasional frank admission by Yugoslav officials themselves of the key position of party functionaries. Such evidence serves to complete a picture which accounts like Uvalic's find it expedient to overlook.

The most blunt and telling statement of such "hidden" control is found in Fred Warner Neal's paper:

* Briefly, the pursuit of local and selfish advantage at the expense of overall national interest.

"The law on the workers' councils gives the trade unions special privileges in drawing up lists of nominees to the workers' councils, although independent nominations can be submitted and occasionally are. Further, having a working organization constantly in operation, and being looked on generally as representative of workers' interests, the unions are in a strategic position.

"It is no accident, therefore, that 100 percent of the members of workers' councils are also members of unions. As Vojina Bozicevic, secretary general of the Yugoslav union organization, told me: 'We draw up the nomination lists. If any non-union men get in, it's a mistake. No mistakes have been reported. In the last election of 5,050 workers' councils, 300 non-union lists of nominees were placed before workers; none was successful. The percentage of Party members on workers' councils varies greatly. From my own experience, I found it to average about 60 percent. This insures a high degree of conformity.

"In any event, the liaison between union and Party is direct and constant, as is liaison between union and workers' council. As a rule, important matters scheduled to come before a workers' council are first discussed in the union organization. Tripto Sindik, secretary of the Montenegrin union organization, told me that in the past year he had arranged some 40 different seminars explicitly to prepare workers' council members for various problems." 11

The only statement with which one might take issue is Neal's suggestion that the union is "looked on generally as representative of the workers' interest." It is hard to believe that workers see trade unions in this light though it may be true that the regime does. It would be difficult to find a more complete and convincing statement on the controlling role of the Party than Neal's brief statement.

A student visiting Yugoslavia recently, sought the reactions of Yugoslav factory workers on the workers' council system and then tested these reactions with Yugoslav officials. Workers commonly felt they now had no more voice in management than previously. Workers' councils, they asserted, were dominated by Communist Party members, and a non-Party member felt it was not the better part of wisdom to question Party decisions. One official answered this criticism by saying that such an attitude was the aftermath of the old system of centralized direction and that workers did not realize that they could have

a voice in management if they desired. Having admitted the leading position of Party members in workers' councils, the official indicated, self-deceptively if not disingenuously, that workers would naturally reward those most active in the establishment of the new system (i.e., the Communists) by electing them to the responsible offices.

Ignorance of technical matters also was adduced as a reason for lack of participation of workers in meetings discussing management problems. The educational courses offered under the sponsorship of the trade unions are ostensibly given to overcome this deficiency, though there is good reason to believe that the courses are in part at least indoctrination (i.e. propaganda) on Marxist economic dogma, and could be attempts to persuade or pressure participating workers to support objectives pre-determined by the Party and trade union. Neal's remark on "seminars to prepare workers' council members for various problems" (see citation above) may be an instance of this "educational" system, though this is not clear.

Party control over enterprises is evident in yet another way. The people's committees as the local organs of government are attributed considerable power over the enterprises, particularly in the matter of taxation. What Uvalic refers to as "sums put at the disposal of the people's council [committee]" probably are taxes imposed by the People's Committees. There is no reason to doubt Neal's assertion (corroborated by other sources) that the local people's committees have and exercise their taxing power, sometimes wisely, sometimes not. Since government at all levels is, for practical purposes, identical with the Party and Party-approved organizations, the enterprises in this manner, too, are Party controlled.

Some responsible observers seem to have assumed that a necessary qualification of enterprise managers is "political reliability," by which is meant, if the term is to have any meaning in this context, that he is a member of the Communist Party or other organization subject to central discipline. To the extent that this is a fact, it is further insurance of Party control.

5. Conflicting Interests

The difficulty of generalizing on conditions in Yugoslavia has been noted by many writers on the country. Despite virtually complete control of enterprises by Party and Party sponsored organizations, the generalization cannot be made that decentralization organizationally and functionally is a

fraud and a myth. The existence of enterprise and local government policies and practices followed independently of and at times at odds with apparent central government intentions cannot be ignored. From these deviations, it is probable that the central Party organization does not issue detailed economic directives, since if it did, the lower Party organs would be bound to follow them and the deviations could not occur or at least would not be as likely to occur.

In turn, Party control locally need not mean monolithic unity of policy within Party circles, nor result in exclusive benefits to Party members. With the considerable freedom from central directives permissible on the local levels, it is logical to expect that contradictions would arise in the Party line as represented by Party members on workers' councils and Party members in local government. The views of the two Party groups need not coincide, and conflict of interest would seem likely. The Communist member of the management of an enterprise need not agree, for example, that his personal pay bonus should be curtailed because Communist members of the people's committees wish to get "sums for its disposal" for public projects.* Another possibility of differences and conflict in Party policy is manifested in the treatment of managers. Assuming it is generally true that managers have the stamp of approval of the Party (through the local People's Committees), it seems equally true that the Party-controlled workers' council has considerable independent authority to oust the same manager.

As far as non-Party workers' benefits are concerned, it would seem to follow that to the extent that Communist members of workers' councils succeed in their efforts to maximize their wages through the distribution of bonuses, non-Party members engaged in equally responsible technical or operational work in the factory would benefit commensurately. (In this connection, no monetary benefits accrue to members of workers' councils or management committees by virtue of such membership.)

The existence of genuine pressure groups (among Party and other groups) as adumbrated above, is a matter of some importance in that it can be taken as evidence of the existence of free activity outside the control of the Party leadership, if not beyond their power to curtail.

In a partially self-contradictory statement, such conflicting interests at work in the economy were noted by an observer who is generally highly skeptical of the reality of

* How decisive the people's committee's views are in such a conflict is not known, though most observers seemed convinced that they wield considerable power over enterprises within their geographic jurisdiction, mainly through taxation, erratically applied.

Yugoslav liberalization and decentralization measures in the economy;

"Since Yugoslavia is governed by a dictatorship - a one party government - political pressure groups are insignificant when compared to those of western-type democracies. Nevertheless, the gradual introduction of measures of increased liberalization in government administration and economic policy has undoubtedly encouraged the development of local and industrial pressure groups. The decentralization of the monolithic state created the need for other means of attaining social order and cohesion since the result was a wide dispersion of power to enterprises and to republican and communal authorities. In order to achieve a needed degree of cooperative action enterprises have gradually organized into federations,* which have in effect become media for the translation of broad economic policies of central administration into action at the individual enterprise level. Concurrently, the republics have become more important administrative units and in some cases they have pressured central administrative authorities to obtain budget subsidies to assist the development of backward areas. The commune is gaining a social importance in the new system as guardian of local interests; and local People's Committees have already gained much power in their relation with enterprises. Recent official pronouncements indicated that Tito is conscious of certain disadvantages resulting from "localism" and the lack of adequate coordination of local administrative functions in the national interest." 12/

The picture of the various levels exercising some form of power and responsibility in the economy (communes, people's committees, republic governments, enterprises) does not seem readily compatible with the implication that the imputed federations of enterprises are instruments for implementing cen-

* This idea of a kind of federation of enterprises was provided for in the Basic Law of 1950 but was apparently dropped. Kardelj's Foreign Affairs article also speaks of "associations of enterprises and groupings of these known as Chambers of Industry, of Agriculture, or Trade, etc.," which he describes as being "in their early stages," and which are allegedly intended to insure balancing the interests of the enterprises and their workers' councils with those of the enterprises of the central government. 13/ Thus the implication in the

trally devised economic objectives. What emerges more convincingly is the existence of various "pressure groups."

The plausible imputation of competing pressure groups is compatible with and in fact reinforced by the phenomenon of "particularism" (called "localism" in the citation above). "Particularism" has been publicly acknowledged by Yugoslav leaders as a weakness arising out of decentralization and has been noted by various observers. It has undoubtedly been exacerbated by the lack of tight central controls. "Particularism" may be defined as a kind of local nationalism, inherent and traditional in the ethnic rivalries existing in Yugoslavia. It is a matter of local pride superseding national pride, a feeling of loyalty to one's community translated into action designed to benefit this community at the expense of others and of overall national interest as seen from the center.

In the course of a short monograph on the strength and basis of nationalism in the individual republics of Yugoslavia, Fred Warner Neal says:

"The extent to which political and economic decentralization has been carried out has raised a question in the minds of some observers as to the danger of a rebirth of particularism. Both federal and republic officials uniformly discount this possibility. As long as the Party maintains its hold on all sections of the country--which bodes to be a long time--they are probably correct. There has, however, arisen something called "economic particularism," by which is meant that various government and industrial units take advantage of decentralization to profit at the expense of others. So far this phenomenon has been confined to local levels." 14/

In another instance Neal points to an effect of this "particularism":

"There exists the trend toward maximization of profits -- and therefore wages -- at the expense of other enterprises. This is especially true where enterprises are connected with a city government and try to confine the benefits of their production to that particular city. The Yugoslavs call this 'economic

citation above that they have been, or are in the process of being revived may be true. If so, they may presage a reintroduction of stricter central controls.

'particularism' and denounce it as 'one of the vital shortcomings that arise from the system itself,' to quote Mr. Kardelj. The tendency to pile up profits and accumulate uneconomic investment is another result of the program to decentralize the economic system, but the constant drive of the workers' councils for higher wages also plays a part." 15/

The widely noted slackening of Party zeal and discipline* would serve to strengthen the tendency toward pursuit of selfish rather than overall Party interests. This factor and the facts of economic decentralization and latent or actual "particularism" seem an adequate basis for inferring that conflicting Party pressure groups exist. And effective, conflicting pressure groups automatically mean a limitation on absolute, centralized control.

Official decentralization measures have resulted in real though limited delegation of authority and power of decision to smaller administrative units than the central government, including local governments and enterprises themselves. While Party control on all levels remains predominant, there is reason to believe that local and private interest, to some degree even that of non-Party members, has considerable voice in enterprise policies and in the disposition of economic benefits. There has been a general loosening of centralized controls which allows for expression of local and individual needs and initiative. In this sense one can speak of liberalization and a broadening of economic democracy which, while not comparable to opportunities offered in Western democracies, are relatively radical improvements over the rigidly centralized system prevailing in the USSR and the satellites, though here, too, there are slight indications that they may be moving in the direction of economic decentralization. While it can be admitted that expression of more individualized needs and the possibility and opportunity of satisfying them have increased in Yugoslavia, it is probable that they are in fact satisfied rarely and exceptionally, for it is doubtful that the general level of economic welfare of the populace has been noticeably raised. Contradictory reports and opinions make it difficult to gauge with any confidence what the effect of decentralization has been on productivity and production. It seems reasonably clear that the standard of living remains low, but whether lower or higher since decentralization is less clear. The economic health and strength of Yugoslavia depend on other important factors besides the greater exercise of individual initiative

* See for example an article by Eric Bourne, Christian Science Monitor, 22 October 1955 with its implications on the causes and effects of diminishing Party zeal.

brought about by decentralization and the worker management system.

Whether these tentative steps toward economic democracy will or must lead to equivalent concessions in the political sphere is a matter of doubt. However, whatever decentralization has meant for the immediate past or can presage for the future, it is hard to doubt that it is a welcome development, if only for the reason that central authority over the individual citizen has been curtailed, even if in slight degree, and that therefore the possibility of individual influence on government policy has gained.

D. Political Dynamics of Liberalization

Liberalization in the political sphere in Yugoslavia can be gauged by reference to selected aspects of changes instituted in the past three years. The most significant of these changes have occurred in the promulgation of a new electoral law and the conduct of elections (as exemplified in those of November 1953); in the increased influence of parliament; and in the status of the Party. All these elements are the more interesting because they stand in rather strong contrast to practices in the satellites.

Other elements often related to political liberalization include the decentralization of executive authority; the proposed establishment of "communes," ostensibly to strengthen local government; and reorganization of the legislature through the introduction of the Council of Producers, which replaced the Council of Nationalities as the second chamber of the legislature. The delegation of executive authority to republic and lower levels, though real, seems to be less significant, taken by itself, in its effects than the corresponding decentralization of economic authority. It appears that political authority has merely been shifted from the national Party leaders to Republic Party bosses, neither of which groups is responsive to or dependent on the popular will for their positions or authority. In the case of the institution of the communes (itself part of the decentralization pattern), the theory is surrounded by much uncertainty, among Yugoslavs as well as among Western observers, and they seem in any case to have progressed very little beyond the idea stage. The Council of Producers has not appreciably altered the role of the legislature. It was intended to give, and resulted in giving, urban workers a greater numerical representation in the legislature.

The most noteworthy changes in the electoral law were the methods of nominating candidates, the matter of plural candidacies, and the method of balloting, which by its physical characteristics allowed for greater assurance of secrecy. The November 1953 elections ¹⁶ demonstrated that none of these measures carried even a remote chance that the Communists would be voted out of power.

Though candidates were nominated in free and open voters' meetings or could be nominated by independent petitions of groups of voters, it was virtually impossible for citizens to nominate individuals of their own free choice. Apart from the complicated machinery for making nominations, the key factor is that nomination requires political organization, and the only political organization legally permitted is the Socialist Alliance of Working People (SAWP), the political front organization of the Communist Party (or League of Communists, as it is currently called). Thus a virtual monopoly over nominations to candidacy continues to be held by the Communists.

The change in balloting procedure from a rubber pellet audibly dropped into a ballot box to a paper ballot filled out and dropped into the ballot box without the contents being shown to presiding officials assured greater secrecy in voting than was the case formerly. But balloting, secret or otherwise, without the existence of candidates representing organized political groups is rendered devoid of meaning, even though, formally, real democratic procedures are emulated. At best it affords an opportunity of expressing opposition or protest against all candidates, and therefore of the regime (a voter can refuse to mark a ballot or can cross out all candidates). Such ballots, among others, are recorded as invalid. They become for the regime (and insofar as they are accurately publicized, to the outside world) a rough measure of the intensity of opposition in the various areas of the country. They also inform the regime where greater "persuasion" is required to "convince" the populace of the virtues of a Communist regime. Even an accurate count of such protest votes, however, is not a reliable measure of the amount of opposition, since few citizens could be expected to have the courage to register such a protest vote in view of the consequences in past elections.

The plural candidacies, which appear to be the most far-reaching change, are again in large degree a meaningless provision, since with few exceptions, (noted below), candidates were sponsored by the SAWP, and were therefore either Communists or individuals who could be counted on to raise no questions vis-a-vis Communist policies or intentions. Again the absence of organized political groups representing platforms diverging from that of the Communist Party is crucial.

Despite the negative aspects of electoral procedures, there were evidences of cracks in the monolithic wall, which if not repaired at the instance of the regime, could lead to greater expression of opposition to the regime, and ultimately to increasing responsiveness of the regime to popularly expressed desires.

In the November 1953 elections, a small number 17/ of candidates contrived to be nominated, elected, and seated in a Republic assembly against the open opposition of the SAMP, a seemingly impossible achievement. Also, citizens seem to have been genuinely excited, not compelled, to vote, an indication of a new kind of freedom to vote. According to Hammond and Raymond, genuine secrecy of the ballot was observed in some polling places. (Where it was not, it is difficult to judge how much depended on individual discretion on the part of local Party bosses, who believed, rightly or wrongly, that the top Party leaders had not intended the legal provision for secrecy to be taken literally.) More consistent application of the secrecy principle and continuation of the practice of soliciting freely volunteered votes would undoubtedly show a much greater "opposition" vote.

Even more meaningful would be the continuation of these two practices combined with the principle of plural candidates, especially if "opposition" candidates find opportunity for nomination. Such a combination of circumstances could result in a greater opposition vote in the parliament, a situation unheard of in a Communist-dominated country. Judging by the nature of Communist regimes in general and, in particular, by the strenuous efforts of the Yugoslavs to prevent election of these "opposition" deputies, it seems unlikely that the regime will again permit this combination of circumstances.

Even this "success," extraordinary as it is, should not be exaggerated. Successful opposition to the SAMP took place in a small number of instances, on the Republic, not the federal level. It is not clear whether the "opposition" electees were non-Communists or non-supporters of the Tito regime. The fight against the SAMP may be traceable to a petty power struggle among local Party bosses. Finally,

seating in parliament of even a genuine opposition cannot mean a great deal in view of the traditionally subservient role of the legislature vis-a-vis the real source of power in the executive authority.

Leaving aside the possibility of the election of a genuine and substantial opposition and considering the election of Communist-approved candidates only, the fact of multiple candidacies still has interesting theoretical possibilities, as reflected in the critique of the elections voiced by Nosa Pijade. Competing candidates seeking an office carrying a number of personal advantages would normally be expected to use various means to insure getting a majority of the vote. Reports on the election and Pijade's disapproving comments indicate that vigorous campaigning and electioneering did take place in some cases. - Whether desirable to the top leadership or not, some candidates did present different, conflicting points of view to the electorate in an effort to secure election. (A devout Marxist might well take such conflict as a notable example of the operation of the sacred Marxist principle of the dialectic, but a leading Marxist, Nosa Pijade, deplored it, with unwitting irony, as being un-Marxist!) Pijade deprecated appealing to the voters by promising, in effect, to work for legislation in their behalf. ^{19/} Insofar as candidates were successful in their campaign on the basis of such promises and acted on their promises (if for no other reason than to prepare for reelection), it would seem that legislative representatives were for the first time responsive to the needs and desires of the electorate. It is not implausible that deputies could be effective in modifying legislation to favor their constituencies. Though there is little direct evidence to substantiate such a notion, indirect support of the inference derives from the existence of "particularism" (overemphasis on local, as opposed to national, needs ^{19/}), and from the reported changes in the role of parliament and the status of the Party.

The role of parliament in Communist regimes is traditionally one of complete subservience to the executive so that the former acts as a rubber stamp for policies instituted by the latter. The Yugoslav parliament for some time seems to have taken a more active and effective role in legislation

than formerly. This activity is the more interesting in the light of the greater role recently urged on the Soviet and satellite parliaments (in Poland and Hungary particularly) by the Communist leaders. That they are now somewhat more active seems quite clear, but their effectiveness is another matter.

Though evidence is scant, observers have noted the facts that the Yugoslav federal assembly operates for long periods of time, that committees hold hearings on proposed legislation calling in representatives of the citizenry to solicit their views, and that deputies debate the virtues and shortcomings of proposed legislation. 20/ Legislation proposed by the Federal Executive Council (FEC), the executive arm headed by Tito, has been modified, and the opinion has been expressed that the interests of the legislators' constituencies have found expression in the modifications. Though it is often argued that in spite of the increased activity, parliament makes only minor changes in legislation proposed by the FEC, the specific cases cited by the New York Times* seem to be substantial by any standard, and certainly far exceed the prerogatives exercised by the parliaments of the Soviet Union and the satellites** on the same subject.

The changes in the role of the Party were given their greatest impetus at the Sixth Party Congress in 1952. The more important aspects of these changes were the definition of the Party's role as one of persuasion and education with regard to the population rather than one of dominance through administrative privilege, and greater independence for local Party organizations with some delegation of authority to

* See Appendix B for New York Times article.

** Additional evidence is lacking on the operations of parliament, especially below the federal level, where responsiveness to local needs might be greater. It would seem likely that the Yugoslav press itself would afford some evidence on the role of the legislature, but it has not been possible in this summary treatment to exploit this source.

them. 21/ These changes seem to have had a gradual, erosive effect on the ideal of "monolithic unity" of the Party, giving rise to confused and individualistic interpretations of Party intentions. Examples of this can be seen in the recurrent criticism of "particularism," in the variety of errors committed by Party members in the 1953 elections, and in the cases of various kinds of excesses committed in the exercise of enterprise self-management. Whether lack or ambiguity of central directives to lower Party organs is the cause, in either case it seems that central control over the Party has suffered. That the emphasis on the new "educational" role of the Party was intended more or less seriously seems evidenced by Tito's severe and bitter castigation of local Party "bullies" as recently as October 1955. 22/ He accused them of violating their responsibilities as "guardians of law and order and humane behavior." He also noted the lack of "discipline and enthusiasm" among Party members. It may be that the very lack of discipline he deplors owes its origins to the increasing restrictions he has placed on the Party's arbitrary powers over the population. Available evidence suggests a loosening of central control over the Party membership and less control, or attempts at lessening control, of the Party membership over the population at large.

The Djilas incident 23/ seems in large part a matter of Djilas' having pushed to their logical extremes the notions of intra-Party democracy and the reduced role of the Party, described by Tito as a step in the ultimate aim of the "withering away" of the Party. Among the many charges leveled at Djilas, the charge that he wrongly advocated a multi-Party system seems the most significant, in that it may reflect an awareness on the part of the leadership that an organized political group expressing views (whether Communist-oriented or not) divergent from those sanctioned by the Party is the most dangerous threat to the continued dominance of the present Party leadership. Thus various forms and experiments in democracy are permissible as long as the leadership's continuance in power is not jeopardized. It would seem that Hammond's speculation (in an analysis otherwise valuable for its thoroughness and insights) that liberalization would be curtailed as a result of the Djilas episode has not been borne out by subsequent developments.

Yugoslav liberalization seems carefully calculated and permitted by the leadership up to the limit where this leadership's power is threatened. Some of Djilas' implied or explicit reforms exceeded these limits and were effectively negated. Meanwhile, the Party leadership faces the dilemma of maintaining Party clan and zeal while at the same time taking away the largely opportunistic and materialistic basis of this "zeal" by revoking some of the privileges given the membership. It is possible that Party activity has become increasingly a matter of following the rule: every man for himself, a rule consonant with and stimulating "particularism."

Regarding the existence and prospects for political freedom in Yugoslavia, the most significant feature would seem to be the provision for plural candidacies. This liberal innovation, combined with other democratic features, unevenly applied and on a small scale geographically (latitude in nomination of candidates outside the pale of the Party, competitive electioneering, free and secret voting, a more substantial voice by parliament both in criticizing and modifying legislation, restrictions on the power of local Party bosses, and decentralization of political and economic authority), probably resulted in a form of representative government which, though far from ideal, yet constitutes a beginning. The continuation and extension of these democratic features would seem a fair test of the intentions of the present leaders regarding political liberalization, permanently and not merely experimentally. Extension of these features should include complete secrecy of the ballot, greater or unhampered opportunity for nomination of candidates not approved by the Party or SAMP, and latitude for the parliament to modify all kinds of legislation, not only that relating to economic matters, as seems to have been the case thus far. It seems doubtful in the light of the far and recent past that the test will be met. Perhaps the most crucial test would have been the institution of a multi-party or two party system, but the Djilas case would seem to have given an unequivocal answer to that question. Whatever experimentation the leaders may be willing to embark upon, one fact remains unchanged: liberalization of political life in Yugoslavia, as in other spheres, is decreed by the top Communist leaders and is not established

on the initiative of the popular or Party masses. There is no readily apparent organized "force" visible, political or sociological, which seems likely in the foreseeable future to change the pattern of authority in Yugoslavia.