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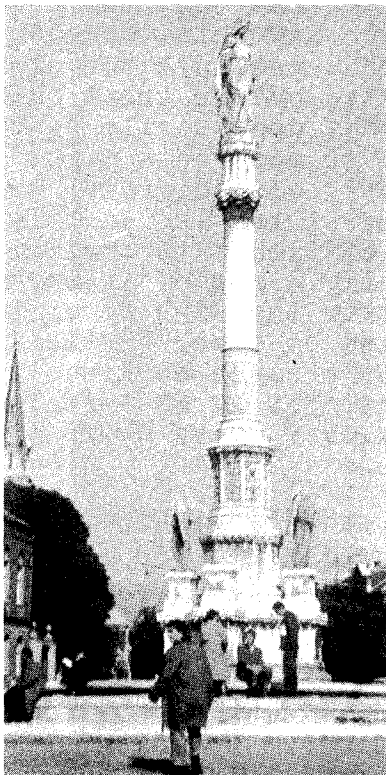
AS-15  
An Opposition Program

Birčaninova 28b  
Belgrade, Yugoslavia  
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Mr. Richard H. Nolte  
Institute of Current World Affairs  
366 Madison Avenue, New York 17, N.Y.

Dear Mr. Nolte:

The people of Yugoslavia, it is generally agreed, are more content with their lot today than they were a decade ago. There has been visible economic progress, and considerable loosening of the political regime, over the years -- and there are many people, inside and outside the League of Communists, who believe that these trends must inevitably continue to broaden and deepen. Surely few would wish to exchange their lot for that of other East European peoples under Communist rule. Even the staunchest critics of Marshal Tito and his associates will concede that the Communist regime (1) has maintained Yugoslavia's independence, (2) is committed to economic modernization, and (3) has held the country together in the face of nationalities conflicts which almost destroyed it two decades ago. These three propositions, and particularly the last, constitute the real raison d'etre of the Communist regime.



COLUMN OF THE VIRGIN  
NEAR ZAGREB CATHEDRAL

Nevertheless, if the regime is respected for these achievements, and feared for other reasons, it would be stretching the truth considerably to say that it is loved by any great number of people. While few Yugoslavs would prefer to live in Bulgaria (not to mention Albania), almost all are aware that life is better in Austria and Italy; and a sizeable group -- though by no means all -- will argue strenuously that life was better in the old Yugoslavia as well. Many, if not most, of the regime's basic policies are quite unpopular; and, although overt opposition is impossible, the disaffection is readily apparent and well-nigh universal. Some estimate that four-fifths of the members of the League of Communists itself are opportunists or careerists rather than believers. Quite a few, certainly, profess themselves guided mostly by the desire to "influence things from within" -- just as a great part of the population at large seems guided mostly by a feeling of resignation. If revolution tomorrow is out of the question, it is also true that drastic changes

would be warmly welcomed by an overwhelming majority of Yugoslavs. The knowledge of this silent "pressure from below" is at least partly responsible for the reforms which the regime has undertaken thus far; it has acted to set limits to many a fancy of the top leaders (viz., the attempt to change the national flag to red, abandoned last spring a month after it was announced); and it must not be underestimated in any serious contemplation of Yugoslavia's future development.

What sort of changes do the Yugoslavs want? Almost every imaginable sort, to greater or lesser degree. And, without the regulating, compromise-enforcing pressures of the democratic process, many of the popular demands appear incompatible or contradictory. It is impossible, for example, to secure -- at least in the very short run -- both higher prices for the peasants and higher wages in the cities without serious inflation. It is equally impossible to open the Yugoslav market to foreign imports, and simultaneously retain the highest-quality domestic products for the home market, without further aggravating the payments deficit. Surely it is difficult to square the hankerings of some Croats and Slovenes for independence or federation with Austria, the nostalgia of some Serbs for their own unitary state, and the desire of many others for greater "Yugoslav" unity. In a sense, therefore, there are as many "oppositions" as there are individual Yugoslavs, and the policies of the regime itself often reflect an effort to find an equilibrium. Nevertheless, it is also true that the regime is often hamstrung by the heritage of its own Communist dogmas, in both major questions and minor; and it is thus possible to construct an opposition program which would be supported by the great bulk of the Yugoslav peoples. Such a program would not necessarily be the program of whatever oppositional tendencies or movements might spring up when the political opportunity presented itself; divisive traditions and suspicions remain strong, and many of the issues on which Yugoslavs feel most extremely are the most difficult to compromise. However, an outsider can outline rather easily a set of measures which would so please an overwhelming majority that the remaining discontents could safely be left to be healed by time. Whether such measures will ever be enacted from above, or pressed coherently from below, it is of course impossible to predict. But it is safe to say that most Yugoslavs, from Marshal Tito down, are quite aware of what the popular feelings are.

One must start with economic demands, if only because Communism has taught the population to think in economic terms and because the major complaint one hears on all sides is lack of money, or low living standards. To be sure, many are willing to blame the low economic level on "five hundred years of Turkish occupation," the primitive techniques and attitudes which still dominate a large part of the country, particularly the south and east. The question arises, however, whether the current system provides the best means of overcoming this heritage; and most Yugoslavs would, I think, agree that some basic changes would greatly accelerate modernization as well as provide an easier life.

The central issue, as in other Communist countries, is agriculture; for the fateful Stalinist decision of 1927, the "general line of the party" -- that industrialization must be financed by squeezing the peasantry -- has never been disowned in theory, however modified in recent practice here and there. The Yugoslav Communists remain committed to the establishment of "socialist social relations in the countryside," even though reality forced them to abandon the harsher forms of achieving such relations. Some 88 per cent of the land is privately farmed, and less than a fifth of the farmers belong to the "general cooperatives" for marketing, machinery, etc. which in many cases, moreover, are more nominal than real. The Government has been compelled, year after year, to raise procurement prices and also to invest in agricultural machinery, fertilizers and other rural needs. Yet the one thing to which the Communists remain strenuously opposed--

in individual practice if not in general theory -- is the prosperous individual peasant, the "kulak". (A Russian word and Russian concept rather irrelevant to Yugoslav conditions, for there were never big estates in Serbia while those that existed in the "Austrian" parts of the country were broken up in the land reforms that followed World War I; so that the political threat of the peasantry, as a center of anti-Communist "reaction," was never as real here as in some of the other Eastern countries.)

There is no doubt that, to the extent to which the Communists have revised orthodox Stalinist farm policies, agricultural production and mass living standards have risen. The wheat harvest this year is officially estimated at 4.4 million tons, a postwar record, better even than the bumper crop of 1959 when the regime thought it might at last do without American surplus grain. Government spokesmen emphasize, too, that the yield of 21 centners per hectare is half again as large as the best pre-war output; increased productivity has enabled both a more diversified production and a better diet in village and town alike. And, of course, the regime's proudest boast is that only half the population is engaged in agriculture nowadays, whereas the proportion was three-fourths before the war.

However, there are -- to put it mildly -- lacunae in this picture of steady, enlightened progress, lacunae of which nearly every Yugoslav (if not necessarily every foreign observer) is quite conscious. I have heard literally hundreds of Yugoslavs, from semi-literate peasants to internationally-known social scientists, voice essentially the same thought. A Serb peasant put it this way: "Our Serbian wheat and meat fed half of Europe before



GROCERY IN WESTERN BOSNIA

the war, and we could do it again with half a chance." A Croatian economist says: "I cannot believe that Yugoslavia, an agricultural exporter through the worst of the Depression and right down to the war, must be permanently condemned to buying food from the United States." And the facts are that, although Yugoslavia may have increased its productivity by half since the war, this is hardly impressive in view of the technical modernization that has undeniably taken place: Other European nations, such as France, have more than doubled their yield in the same period. Moreover, much of the improvement in productivity stems from the large-scale "socialist" agricultural estates, where most of the money has gone, both for modernization and in subsidies of one sort or another -- with the result that the "socialist" farms, occupying 10 per cent of the land, produce 30 per cent or more of the surplus marketable in the cities or abroad. The inescapable conclusion is that market conditions for the private peasant are simply not profitable, and the village tends to produce largely for its own consumption. Furthermore, if the situation in wheat does seem to be improving (largely because of the political compulsion of ridding Belgrade of its dependence on Washington), the opportunity lost in livestock production -- a Yugoslav "natural" -- is staggering. Official statistics show that the number of cattle, hogs and sheep in 1958 were about the same as in 1931; and despite the stimulative measures of recent years the basic stock rose only by about a fifth until 1962, and actually fell in the last year. The basic reasons for this and other agricultural disappointments are prices, taxes and dwarf plots, which combine to make private farming unprofitable. I have visited areas where every farmer before the war kept some cattle and poultry, and now perhaps one in 50 has one; the more cattle, the higher the taxes. I have also heard of farmers in other areas who have simply slaughtered their cows as a result of pressure to sell their milk to state agencies at lower prices than might be obtained on the free market.

The Communists hope that these conditions will "persuade" the individual peasant either to sell his land to a "socialist" estate or to join in a "cooperative." Yet most other people believe that a different set of conditions would much more quickly boost production, raise living standards and modernize the countryside. These conditions, briefly, are freer prices, lower taxes and larger holdings. The last is perhaps most important, for the limit of ten hectares (about 25 acres) per household in effect sanctifies uneconomic dwarf holdings and penalizes the ambitious, efficient farmer. Nobody here wishes to create a landed aristocracy, but a raising of the limit to 50 hectares (as in Poland) or even 100 would hardly do that. If there must be stern limitations on holdings, people feel, the pressure should be directed at the lower limits, to eliminate scattered dwarf plots and compel the emergence of consolidated, viable medium-sized farms capable of modernization. I can think of no single economic reform that would be more warmly greeted than an agrarian law raising the minimum holding to five hectares and the maximum to 50, 75 or 100. Needless to say, such a reform would have to be accompanied (if it were to be meaningful) by a shift from taxation on land and livestock to taxation of income; and by liberal, non-political credit machinery which enabled the better farmers to acquire both more land and better tools without strain.

One can think of many other measures which would spur agricultural production -- more machinery and fertilizers, improved transport and storage facilities, free marketing co-ops, rural extension services, rationalization of the subsidized "socialist" estates. Yet larger holdings and the end of punitive taxation are the basic reforms which might eradicate the peasant suspicion which still lingers more than a decade after the regime abandoned its attempt at forced collectivization. A freer price system might result, right at the start, in higher consumer food prices (this has been the experience of recent years); but combined with the other reforms, the boost in production and productivity would doubtless soon bring lower real (if not monetary) prices for food here, as it has almost everywhere in the non-Communist world.

Is the medium-sized "family farm" viable in the long run? Has not the time come for "socialist social relations" or -- to put it non-dogmatically -- the industrialization of the countryside? The answer is that, in this respect, Yugoslavia is at least a decade, perhaps a generation behind Western Europe and North America, which worry about surpluses and price supports. Yugoslavia must first feed herself, and export what it most easily and naturally can in order to finance industrialization. There may be limits to what can be achieved in this manner, but no one yet has attempted to scan, much less breach them. The first requirement is a productive and increasingly competitive agriculture based on abundance, not scarcity; then there will be time to speak of commercialized agriculture, with salaried workers and technicians, and truly large-scale operations. But by that time (northern Italy appears to be reaching this stage now) industry and services will be capable, without artificial force-feeding, of self-sustained growth.

In industry, too, the leading demands are for lower taxes, greater retention of earnings, easier credit, less central control of production -- all of which add up in practice, one way or another, to higher wages. In fact, each time Belgrade has attempted to infuse a bit of reality into its airy phrases about "workers' self-management," the workers and/or directors have immediately used the powers granted to raise the wage level -- thereby endangering sacred Communist plans for "accumulation" and "extended reproduction." Yet the wage level is dreadfully low (the average is about \$35 a month), and there is quite a bit of leeway for raises. In the midst of the 1961-62 recession, one economist told me quite seriously: "I see nothing wrong with the Yugoslav economy that would not be put right by an immediate doubling of wages in industry." When I expressed astonishment, he argued: "Why not? Is it not ridiculous that in 'capitalist' America nearly two-thirds of the national income goes out in wages and salaries, while in 'socialist' Yugoslavia less than half?"

The official press frequently argues that, left to themselves, the workers promote uravnilovka, or the levelling of wages among skilled and unskilled -- one of the cardinal Communist sins since a famous speech by Stalin in the early Thirties. Yet this argument is spurious on at least two counts. First, even the most skilled and productive workers in the country -- in Slovenia -- are underpaid and constantly seeking opportunities to work in Austria, Italy or West Germany. Second, the problem of a large wage bill for

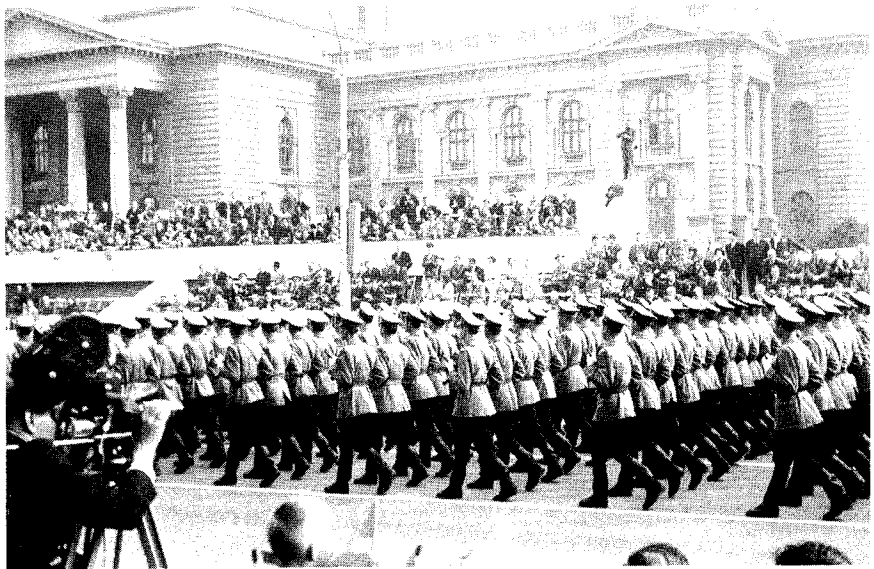
unskilled hands may be tackled not only by holding down wages, but-- more easily -- by reducing the number of unskilled hands. This involves not only a more serious effort than heretofore at education and technical training, but also abandoning the fiction that socialism "abolishes" unemployment and the related myth that surplus farm population must go automatically into the factories. Belgrade now, unlike Moscow, admits to unemployment (over 100,000); but there is no adequate measure for the under-employment that gluts urban Yugoslavia and throttles productivity in almost every economic branch. It is not only a matter of people performing sinecures, of twice as many people on a job as necessary; it is also a matter of an effective work-day, both because of irrational organization and workers' apathy, that has been estimated at five-and-a-half hours or even less. Yugoslavia has discovered the coffee break before the time clock. And, while the common reaction of foreigners is to assume that most Yugoslavs are lazy or uninterested in money, the Yugoslavs themselves vigorously deny that their creed is dolce far niente. "It's not true!" I've heard a hundred times, "our people can work hard and will work hard if they're only paid decently." Experience in other countries, notably that of the proverbially "lazy" Italians, would seem to bear out the Yugoslav complaint.

At this point in our analysis, two very large questions arise, for which believing Communists claim there is no satisfactory answer. First, if both large-scale industry and agriculture were rationalized, would there be any place except on the dole for the hundreds of thousands of unskilled and semi-skilled who would be thrown out of work? With government expenditure on social insurance already massive (allegedly a fourth of the Federal budget), the problem is real. Yet even the casual tourist in Yugoslavia immediately recognizes a large gap in the economy that could, in such a "semi-developed" society, absorb countless hands -- the so-called "tertiary sector" of crafts and services, ridiculously underdeveloped in comparison with Austria, Greece or even (so they say) pre-war Yugoslavia. As the recent near-demise of private artisanship demonstrated (see AS-12), the Communists have begun to admit that this sector, historically that of the "petty-bourgeois" and "lumpenproletariat," does have its uses. Yet the regime is still handicapped by the Stalinist dogma that socialism must be total, and that it necessarily consists of state ownership (in one form or another) rather than regulation. The fact is that, in the cities as well the countryside, some real freedom for private enterprise could go a long way -- and without compromising the "socialist" nature of the society except in the eyes of Chinese propagandists. "Privatniks" today are permitted to employ only two, in some cases five, workers who are not members of their family; they are, furthermore, harassed by punitive taxation, discriminated against in a myriad of ways, politically suspect at all times. If the private entrepreneur were permitted, say, 25 employees (even 100 would be no "threat to socialism"), and allowed the same conditions for profit and investment as in, say, Scandinavia, the results would be enormous: Not merely would Yugoslavia soon have many more, and much-needed, shops, repair shops, restaurants, motels, movie theaters, and countless other modern necessities in incessant consumer demand; but the "socialist" sector of the economy would be exposed in many areas to the stimulating breezes of gen-

uine competition, not only in price but in variety and quality. To be sure, in twenty or fifty years time, these small enterprises might -- as in the contemporary United States -- find it impossible to compete with modern large-scale operations. But Yugoslavia today is not the United States of 1963, but that of 1935 and in some respects 1875.

The second question raised by this economic discussion is even more fundamental: If peasants are to get higher prices, workers higher wages, private enterprisers real profits, if there is to be tax-relief all around, where will the money come from for investment, "accumulation," "growth"? One answer to the question is to reject its premises: "What is so good about a high rate of growth in the abstract when real wages actually fall?" (This has been the situation in the last year or two.) And, except in doctrine, there is no reason why Yugoslavia must attempt annual growth rates of 11 to 15 per cent, and by means of investing one-third of its gross national product. A rate of 6-8 per cent growth annually, with investment of something like a fifth of the national product, would be impressive enough for the outside world; and the higher mass consumption would not only please most Yugoslavs but might have some striking effects on productivity.

Yet, low growth rates or high, "low-tension" planning or all-out campaigns, there remain several sources of capital that remain untapped or misdirected, and largely for dogmatic reasons. First, of course, is foreign capital, which in fact did develop, before 1945, some of the most important Yugoslav enterprises, including the copper mines and oilfields. There is not a word



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in Marx against permitting foreign capitalists to help, on reasonable terms, develop the resources of a socialist state. Marx, of course, really envisioned socialism in terms of England, France and Germany which even then needed no foreign help; but Lenin, in different conditions, toyed toward the end of his life with projects for foreign concessions in the Soviet state. Here, however, the Stalinist prejudice against foreign capitalists remains entrenched, in the ruling group if not among the people. The regime has gotten around its palpable need for foreign aid by all sorts of inter-governmental loans, grants and credits. Yet the returns from this sort of thing seem to be diminishing, while the fact remains that for the Western -- and particularly the West European -- investor, Yugoslavia would, if poli-

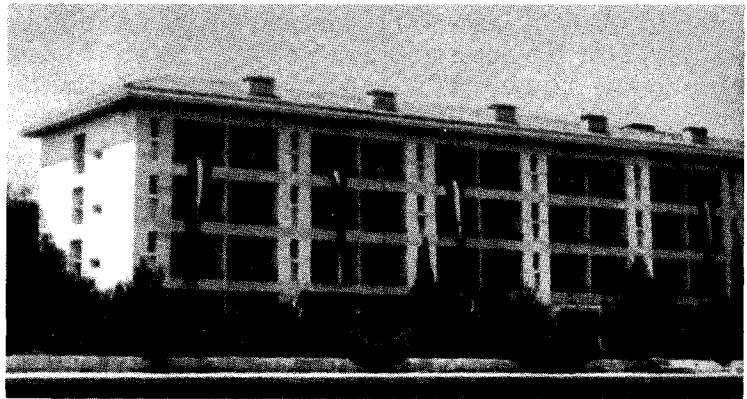
tical conditions were secure, be a much more attractive field of endeavor than Asia, Africa or most parts of Latin America. From the Yugoslav point of view, it would not be at all difficult to prevent foreign investment from leading, as it did before the war, to domination of the economy by a single foreign nation (Germany in 1939) or group of capitalists. The Yugoslavs do many more things themselves, there are more foreign firms to choose from, and the "anti-imperialist" agitation of half a century has had the effect of making the so-called "imperialists" much more reasonable and much less rapacious in their demands than their grandfathers were. Foreign capital would not only permit higher living standards (and perhaps a more realistic currency), but would also tend to raise Yugoslav standards, both as producers and as consumers.

An even greater source of potential capital lies in the waste created by the current political system. Not only is there the tightly centralized control of credit and allocation of investments which has resulted, time and again, in "political" factories in quite uneconomic locations, maintained year after year despite losses on any system of book-keeping. There is, perhaps even more costly (for education, reorganization and improved transport could make some of those factories economic), the burden of the entire political-administrative system -- or, as one Yugoslav put it cynically, the necessity to maintain in style "the entire generation that fought the Partisan War." The Belgrade joke is that the Yugoslav Army is the second largest in Europe; it is without doubt the largest in the Balkans, a state of affairs perhaps justified in 1949-52 but hardly any longer. To be sure, most of the Army is recruited by universal conscription; it performs various necessary educational functions; and it is used for all sorts of economic chores, from disaster relief to road-building and harvesting. It was equipped, to the tune of half a billion dollars, by the United States. Yet enough is enough: by the evidence of the eyes, and by almost any measure, the Army is perhaps twice as large as it need be for a small neutral state at peace with its neighbors, perhaps even more out-size for a country in which the large numbers of women, children and illiterates reduce the effective working population.

The Army is only one small part of the swollen administrative apparatus. One sees more uniformed police per block in Belgrade than in New York, where traffic is slightly more of a problem; and Yugoslavs all say that the number of plainclothes police, not to mention paid informers, far exceeds the uniformed militia. Then, there are what the press here likes to call "social-political workers" -- that is, the paid full-time functionaries of the League of Communists, the Socialist Alliance, the trade unions on the federal, republican, district and communal levels. Plus the Communists and police officials carried on industrial payrolls for political rather than economic reasons. And the official government bureaucracy itself (federal, republican, district and communal) and the network of "control" organizations, such as economic chambers and commissions and institutes and councils. Official statistics make it difficult to estimate the size of this complex administrative apparatus (in essence, Djilas' "new class"), but almost every Yugoslav who does not himself belong to it is convinced that it is huge and far too



costly. And that is strictly in economic terms. In human terms, the presence of this large apparatus of administration and control is demoralizing and **dispiriting**, and especially so because for eighteen years they have been the same people! Some old ones have died, some young ones have been recruited, many have changed offices, chairs or deskplates -- but by and large (and this is felt most strongly outside the bigger cities) it is the same group, infallible by definition and secure in its perquisites just as the rest of the population is insecure. It may be in some respects abler, more cohesive and more representative than Communist movements elsewhere (Slovenian Communism often seems more Slovenian than Communist), but it is just as immovable; and une carrière ouverte aux talents is circumscribed by entrenched interests and dogmas.



SECURITY BARRACKS AT BRIONI

Thus far, in speaking of economic reforms, I have been outlining measures which would win broad support not only from the population at large but from many Communists, including perhaps some of the higher leaders. But when one shifts from economics to politics, culture, education and religion, matters are, predictably, not so easy. Predictably because Communism is not an economic but a political system, a formula for the organization of power; and those who have acquired power by violence do not readily yield it unless they can be assured of their own future safety and relative comfort.

It would be simple -- yet pointless -- to outline a ten, fourteen, or fifty-point program for making Yugoslavia a genuine democracy. Pointless for two reasons: First, the Communist rulers will not (at least in the foreseeable future) assent to it, and they cannot (again for the foreseeable future) be overthrown. Second -- and perhaps more significant -- many non-Communists fear that the return of a multi-party system and all that goes with it would instantly bring the revival of the nationalities conflict: the parties themselves would (as before the war) be exclusively Serb or Croat or Slovene, the press would vie among itself in chauvinism, the revival of the clergy would re-activate religious hatreds, the "open" situation would invite all sorts of foreign meddling, and before long Orthodox, Catholics and Moslems would be killing each other once more. "We must await a new generation, it's too soon now," an experienced non-Communist writer told me. "That is why we all hope Tito will live at least another five or six years, so that the generation which grew up after the war can become really significant, and the ones who fought the war and did all the killing can begin to die off."

Nevertheless, if it appears irrelevant now to speak of major political transformations in immediate terms, there are any number

of measures which, taken now, might help prepare the way for a peaceful and gradual transition at some later point. The field of education is a case in point: Even Fidel Castro would find it shocking that, after 18 years of Communism, nearly a fifth of the population aged ten or over is illiterate, and less than a seventh has gone beyond the fourth grade. Surely it is of some interest that Bosnia-Hercegovina, where the worst slaughters took place, is the least educated (32 per cent illiterate); while Slovenia, universally literate, is not only the most productive section of the country but the one least plagued by fratricidal strife. The Communists have built schools, and trained teachers, by the thousands, but far more could have been and should be done -- and done quickly -- in the fields of adult, primary and especially secondary education. There is no reason why the efforts of the state could not be supplemented, as before the war, by private educational bodies -- by religious orders and foreign groups. (The French lycée of pre-war Belgrade trained a large share of even the present-day élite.) A minimum curriculum and standard state examinations would easily regulate the question of uniform standards. Nor is there any good objective reason why the expansion of primary and secondary education could not draw on some of the resources now being poured into show-place universities and advanced institutes which are beyond Yugoslavia's present means: My professor friends tell me that not more than a tenth of the students in their overcrowded universities are real students in the Western sense; all too many just "sit," taking six or seven or eight years to do four years' work or dropping out in mid-passage, and quite a few are there with the best stipends and quarters mostly because they are Young Communists. In this field, as in others, the Communists might well apply Lenin's dictum: "Better less, but better."

In the field of education and the society at large, a major reform would be the abolition of the karakteristika (or life-time police dossier), and the adoption of what now seems to be the Hungarian principle of the best-qualified man for the job, using objective rather than political criteria. In the field of culture and communications, even a little more leeway would go far: Ruthless cutting of subsidies to party organs, the domestic press on a principle of strict profitability, half the freedom for the churches that now exists in Poland, the independent paper Politika more independent and published in the Latin as well as the Cyrillic alphabets, greater freedom to use foreign press agency dispatches, easier access to foreign newspapers (Le Monde could sell several thousand copies in Belgrade alone; it is permitted only a few dozen), greater encouragement for Yugoslavs studying abroad, and so on and on. "Liberalization" has a thousand aspects, and in many of them Yugoslavia today lags behind Poland, Hungary and perhaps even the U.S.S.R.

There remains the thorny question of the nationalities, and inseparable from it the dilemma of centralism vs. federalism. Here it is much more difficult to find consensus. The Serbs say: "Belgrade is no longer our capital, it's a Federal city; Tito is a Croat, the Croats run the Army, the Slovenes run the economy, and most of us were Chetniks anyhow." Croats say: "There is no real

federalism, the republics have no powers. Everything is run from Belgrade, Zagreb is ignored. The Serbs control the police and that is what counts. Tito may be a Croat but his closest cronies are Serbs, and Ranković comes next." Despite these suspicions and misunderstandings, I suspect that the only viable future lies in federalism and decentralization, at least in the political and economic fields. The Croats and Slovenes have always wanted it, and I have the impression that the Serbs would be content with being masters in their own house once reality assured them that this was really so. Swiss-style federalism may be unexportable and somewhat of an anachronism in the modern age; but French-type centralism failed in inter-war Yugoslavia and is even less applicable today, when not only the Slovenes but the Macedonians have become quite conscious of their nationality and in consequence turn more and more against centralism. The problem today, of course, is how to reconcile any real federalism with the existence of a ruling party itself organized on the principle of "democratic centralism." On the answer to this historical riddle, more than any other question, I submit, the future of Yugoslavia depends.

Cordially yours,

*Anatole Shub*  
Anatole Shub



CHANGING GENERATIONS IN BOSNIA