UFSI Reports

THE AUTHOR

DENNISON I. RUSINOW has been reporting for the Field Staff from Belgrade, Zagreb, and Vienna since 1963, maintaining an interest in Adriatic and Danubian Europe that dates from his first visits to the region while a Rhodes Scholar at Oxford University from 1952 to 1954. He holds a B.A. from Duke University and an M.A. and D.Phil from Oxford, where he was also a temporary lecturer in politics and modern European history at New College. Dr. Rusinow is the author of *The Yugoslav Experiment*, *Italy's Austrian Heritage*, and numerous contributions to collective works, journals, and newspapers.

ISSN 0743 9644

YUGOSLAVIA'S FIRST POST-TITO PARTY CONGRESS

Part I: Problems on the Agenda

by Dennison I. Rusinow

1982/No. 39
Europe
[DIR-2-'82]

The first post-Tito Party Congress emphasized continuity, despite the obvious fact that Tito's own guiding hand has been replaced by collective leadership. The political problem attendant to this change in a conflict-prone multinational society is equaled and reinforced by Yugoslavia's economic woes.

"Continuity" was unavoidably, if inappropriately, the name of the game for the Twelfth Congress of the League of Communists of Yugoslavia ("the Party") which met in Belgrade from June 26 through 29, 1982. In the light of economic problems so grave that they ought to have serious social and political repercussions and the experience of other countries after the passing of a "charismatic" founding father or an overweening dictator—the Soviet Union after Stalin, Spain after Franco, and China after Mao—it might in principle have been otherwise. This was, after all, the first congress of the LCY since the death of Josip Broz Tito, in May 1980, removed his octogenarian but still authoritative guiding hand from the Party he had led since 1937, the state he and his Communist Partisans refounded during World War II, and the Yugoslav experiment with a "different road to socialism" that the rest of the world calls "Titoism." But anyone who expected this first post-Tito Party Congress to reveal major changes, for better or for worse, in systems or policies or even collective leaderships was disappointed. Such changes may come, and there have been signs since the congress that this may happen sooner rather than later, but it had been clear for some months before the comrades assembled in Belgrade that it would not happen then or without a few more hard knocks from "life itself," as Marxists are fond of calling the ultimate confounder of even best-laid schemes.

Continuity as the theme of the Congress was still unavoidable in June 1982 for a regime whose slogan since its founder's death has been "After Tito—Tito," and whose leaders have been unable to agree on reforms that they also fear would be interpreted as the beginning of a general "de-Titoization."

It is generally and probably correctly believed that even a widespread suspicion that a general overhaul of "Titoist" principles and institutions is on the way would be singularly destabilizing. It is, after all, a regime with no other persuasive claim to legitimacy governing an historically conflict-prone multinational society where almost any change is seen, often rightly, as likely to benefit one or two jealously watchful national communities at cost to the others. It is also highly uncertain that radical changes would produce a system that many Yugoslavs would like better than the one they have. Almost anything might come out of Pandora's box once it is open. Many suspect that in present political and economic circumstances the likeliest outcome might be a system more like those to the East, in the Soviet bloc, even if almost none of the players in the game originally wanted that to happen.

If continuity was therefore the unavoidable theme, it was also a singularly inappropriate one for Yugoslavia in 1982. The same leaders and led who fear discontinuity are at the same time acutely aware that many aspects of Yugoslav federalism and "socialist self-management," the two pillars of "Titoism," are not functioning well in terms of either efficiency or proclaimed values; thus the consequences of no change can sooner or later prove more fatefully "destabilizing" than timely if also risky reforms.

The dilemma was described by a leading Party social scientist, in a conversation on the day after the congress ended, as follows: "This is a time when changes, including those affecting basic matters, are essential; but it is also a time when changes affecting basic matters are impossible."

The net result was a congress of paradoxes. For 30 years, beginning with the Sixth Congress in 1952, Yugoslav Party congresses have been notoriously more open, self-critical, and occasionally marked by conflicting views than is usual in Communist Party congresses, especially in Communist-ruled states. The Twelfth Congress outdid all earlier ones on all these counts, a point rightly emphasized in most Western media reports. Party leaders and rank-and-file delegates vied with one another in pinpointing weaknesses, mistakes, lack of responsibility, and macro- as well as micro-facults in the system itself, and in calling for the removal of those responsible for the shortcomings.

What was missing, with a few exceptions and apart from pious generalities, was a prescription of remedies. Keynote speeches and Congress Resolutions offered little more than a reaffirmation of a time-worn but unhelpful proposition: Political and economic actors and decision-makers (especially those in the Party!) must finally and "genuinely" implement and obey the rules of "socialist self-management" set forth in the 1974 Constitution, the 1976 Law on Associated Labor, and especially "the economic laws" of supply and demand in a competitive market economy. Were this to happen, the congress told itself and the country, the way out of current economic difficulties and the entangling and antidemocratic remnants of "state-bureaucratic" and Party rule would be open and manageable. What should be done to impel such a change in behavior without changes in the system and its rules was still, as always, unclear.

The most logical conclusion for those who followed the congress debates closely, which the leadership should hope were few, would be that present leaders should be awarded a medal for valiant self-criticism and then be dismissed for lack of vision about the way out of the situation they had participated in creating.

How long this paradox and the unresolved dilemma it represents can remain tolerable to the political establishment or the populace was also unclear, although one congress delegate proposed a specific deadline. Bogdan Crnobrna—once Tito's *chef du cabinet*, sometime Ambassador to the United States, and so a prestigious if not a powerful voice—suggested that a special Party Congress should be convoked in one year's time if the present leadership had not achieved "significant" progress in solving the country's economic and political problems. The implication was that heads would then have to roll. His speech was given prominent attention, with implicit approval, in Belgrade's increasingly free-wheeling and critical daily and weekly press. The congress, however, declined to hang such a time-fused sword of Damocles over the Party and state's (horizontally rotating) leaderships. In an apparent concession to this sort of proposal, a change in the Party statute merely provided that a special Party *conference*—i.e., a meeting without the power of a congress to elect new leaderships—may be convened annually and on demand to "review the work of leading bodies."

The first public hint that papering over differences and shying away from the horns of Yugoslavia's dilemma may not last long came only a few weeks later, on September 13, and from the Party's most authoritative source, the current President of the Central Committee's 23-member Presidency. Described more fully in a companion *Report* about post-congress developments, it included the revelation, dramatic by recent Yugoslav political norms, that serious differences had surfaced within the new Central Committee on the very day the congress ended. These had led to a month-long series of secret, unpublicized meetings of the Party leadership "dealing with questions in our mutual relations...and not with carrying out the Congress Resolutions."[1] The situation in the leadership was ominously described as reminiscent of 1971, the year of Yugoslavia's most serious postwar political crisis.

This last may prove to be an exaggeration, as several Yugoslav newspapers suggested hopefully in their editorial comments. Outsiders of two overlapping kinds—those who wish Yugoslavia well and those who consider the stability of this strategically located nonaligned Balkan country important to European stability along the East-West dividing line and therefore to world peace—have good reason to hope so too. Some clues to the answer may be found in the subject of this *Report*: problems on the agenda of the Twelfth Congress and what happened and did not happen there.

The Economy

The Yugoslav economy is in bad shape. Just how bad is debatable. So is Yugoslavia's ranking on international scales of current economic misery and realistic "best-case" potential for recovery in the foreseeable future—prospects evaluated in terms of genuinely available resources, technology, comparative advantages, etc., but also assuming that appropriate economic policies can be devised and implemented. As the congress assembled, Yugoslavia's standing was certainly better on both scales than that of Poland or Romania, some other Soviet bloc countries, and most of the Third World. Certainly it was worse, at least on the first scale, than neighboring Austria, Switzerland, and some other relative "islands of the blessed" in a world-wide sea of assorted economic woe. It was perhaps better and perhaps worse than next-door Hungary, the rest of Mediterranean Europe, Mexico, and Brazil, with sufficient similarities in levels or distribution of development or in the source, nature, or magnitude of their problems to warrant valid and useful comparisons.

Such rankings deserve mention because they are also done, sometimes deliberately and sometimes only subconsciously, by two significant categories of people whose economic or political behavior is likely to be influenced by their conclusions. The first consists of international bankers and financial agencies confronted by a dismally long list of debtor countries with a collective need for new or rescheduled credits that exceeds the present system's ability to cope. Yugoslav needs are more likely to attract favorable attention from this international financial fraternity if Yugoslavia's prospects, compared to others on the list, are regarded as relatively good. The second consists of the Yugoslavs themselves, who may be suffering shortages and tightening their belts less discontentedly and with remarkably little protest, so far, because they see (with the help of their media, which have been pressing the point) that almost everyone else, regardless of type of economic and political system, seems to be suffering a similar predicament and leaders equally unable to find a way out. In the economic misery characterizing Yugoslav "self-management socialism" in 1982, and with worse bluntly forecast for 1983, it may not really be much comfort that Western "capitalism" and Eastern "true socialism" are also in a crisis that apparently defies solution, but it does tend to dampen enthusiasm for alternative policies or systems that one might otherwise be tempted to agitate for on the streets or in political cabals.

Be that as it may, the Yugoslav economy *is* in bad and lately worsening shape. Its downward plunge and the apparent impotence of current political managers to stop the descent, or to yield their places to those who might, were therefore properly the central preoccupation of the congress. (The choice of image is based on a characteristic and revealing Yugoslav gibe at the current situation: "The wagon plunges downhill, the oxen remain on top!") The litany of troubles recited by the assembled comrades is woefully familiar in today's world.[2] Inflation, painfully reduced from over 40 percent a couple of years ago to about 25 percent at the end of 1981 through traditional austerity measures, was unhappily creeping back up again. Economic growth rates have declined to zero or below in many sectors, workers are on short time with reduced personal incomes, and chronic underutilization of plant capacities is becoming acute. Many enterprises—a third according to some estimates—would be bankrupt if the rules of a market economy were not being violated to keep them going, which is politically and socially unavoidable on numerous grounds but plays havoc with all strategies for restructuring as a necessary prelude to recovery. Unemployment officially stands at over 800,000, some 14 percent of the work force. It is in fact certainly higher than that,[3] and is daily aggravated by more Yugoslavs coming home, after losing jobs in Western Europe's depressed economies, at an estimated 40,000 per year (from a Yugoslav *Gastarbeiter* force of one million before the reluctant exodus began).

The average decline in living standards, by official calculations, has been over 5 percent in each of the past two years. If this does not seem unbearable or unusual these days, it should be recalled that pre-decline standards in many regions and population groups were still abysmally low—at least for Europe, the only scale that Yugoslavs, like Poles and Romanians, are willing to measure themselves against. This and the habit-forming experience of an immediately preceding decade of rapidly rising standards make the present decline harder to take than in countries with previously higher but slower-growing per capita consumption.

Shortages of a growing number of commodities, including coffee, detergents, cooking oil, gasoline and other petroleum products, citrus, butter, antibiotics, and other often essential medicines, were becoming chronic rather than spasmodic, as had been the case for two years, and were soon to become critical in some instances and places. Although still a far cry from the misery of Poland or Romania, this was no longer the consumer paradise of Eastern Europe, a country in which standards (and expectations) at least in the wealthier northern republics were approaching those of neighboring Austria and Italy.

Binding all these and other woes together in a series of interlocked vicious circles, Yugoslavia's hard currency foreign debt and "international liquidity" constituted the most critical and discussed problem in 1982—again as in many other countries. The debt figure most frequently cited is $19 billion, but several estimates put the total several billion higher.[4] The suggestive fact that 80 percent of this hard currency debt was accumulated between 1974 and 1980 and the kinds of measures adopted since 1980 to try to cope with the burden are also familiar. The latter, reflecting the usual IMF program for a country with this kind of trouble, have included import curbs, an export drive, and domestic austerity to cut inflation at almost any cost to other economic indices. Considerable progress in curbing inflation was achieved in 1981, as noted. The same period also brought a truly remarkable reduction in the balance of payments deficit on current account: from a horrifying $3.7 billion in 1979 (reflecting the "second oil shock" at a time of rapidly rising consumption of energy) to only $750 million in 1981—when their own forecast deficit, considered optimistic when made, had been $1.8 billion.

Encouraged by this performance, they seem to have persuaded themselves (or were they only trying to persuade their Western creditors?) that this reduction meant what it seemed to, and that the pace could be maintained indefinitely. Neither was true. The first conveniently overlooked the fact that much of the improvement in the global balance of payments deficit had come from increased exports to the Soviet bloc, which do not generate convertible currencies that can be used to service the hard currency debt or to buy in the West: the value of exports to the COMECON area increased by 30 percent in 1981, but that of exports to the developed countries of the West actually declined by 15 percent. The rest, to be sure, came from reduced imports from the West and increases in earnings from tourism and in emigrant remittances; but reductions in imports could not be pushed much further without crippling consequences, and optimistic projections of increased inflows from tourism and remittances in 1982 wildly underestimated the impact of recession in the West on both these sectors. By the time the congress assembled, therefore, not only was the inflation rate edging upward again, as noted. Improvements in the balance of payments position had also ended and looked like being reversed.

More urgently important at the moment than the total debt burden has been nearly $5 billion in interest and principal due in 1982 and a similar amount in 1983. (The unforeseen *additional* burden on these repayments derived from high interest rates in the 1979-1982 period is calculated at no less than $2.5 billion.) Throughout the year Yugoslav officials and bankers stubbornly maintained that they would make the 1982 payments without rescheduling. *Mirabile dictu* they have succeeded, by the skin of their teeth, with the help of a last minute and expensive additional short-term foreign credit (reportedly only $200 million), and possibly with some bookkeeping sleight-of-hand. The cost in terms of the vicious circles, however, has been high, and so has the potential political cost. Regulation and allocation of foreign currency inflows and outflows were merely one of the contentious issues discussed and then evaded by the congress in June. By the end of the year, however, it was to become the crucial and divisive issue, which the country's leading weekly newsmagazine described as follows: "The policy [to be adopted] concerning economic relations with the outside world is, in the view of many, the key to economic stabilization. In it are reflected all our current miseries.... In addition, the foreign currency law is the 'test' of readiness for the turnaround in economic policy that was talked about so much at the Twelfth Congress of the LCY."[5]

Yugoslavia's foreign currency and debt problems are not, of course, unique or the world's worst. Nor are the principal "vicious circles" they create or aggravate, chief among them the limited or declining ability to export and earn foreign currency because lack of it limits ability to import the raw materials, components, and technology that go into things to be exported (excessive import dependency here, another burden from past policy errors). Worse yet in this regard, much of what is earned abroad must be used to service that excessively large foreign debt. Still worse is the world recession that makes it harder to export anyway, especially to the Western market economies where the debts are, and that cuts into foreign tourism and hard currency remittances from Yugoslav workers still employed in Western Europe. The "bottleneck multiplier effect" (an apt description used by a Belgrade friend) of restricted imports, owing to lack of foreign currency liquidity, also reduces production for the domestic market, and so employment and consumption, in ways that are dismally familiar. So, too, is the effect of excessive foreign indebtedness and delayed repayments on the country's creditworthiness, its ability to continue borrowing abroad as the obvious short-term way to break the pattern.

What is more particularly Yugoslav, rendering policy-making in this sector especially difficult and dangerous, derives once again from the special sensitivity of internationality relations in this multinational federation and a decentralized political system that caters to that sensitivity by requiring the reconciliation of conflicting national-regional interests before policies affecting the whole country can be adopted. This combination easily leads either to no policy or to a serious political crisis—as happened in 1971 over the same issue—when those who need foreign currency for imports are not always the same as those who "earn" it by exporting goods and services, with the latter concentrated in some regions (and therefore nations) and overall demand greatly exceeding supply. The burden of "stabilization," the current euphemism for the painful process of turning the ailing economy around, must by its nature fall unevenly on different sectors of the economy and population and so on different national groups. If the foreign currency system is "the key to economic stabilization," it can therefore also prove the key to consensus or conflict on the entire range of related issues confronting the six republics and two autonomous provinces that represent the often conflicting interests of Yugoslavia's principal "nations and nationalities." The boundary between economic and political agendas, represented at the congress by separate commissions, dissolves at this point.

The Political System

Since 1971 the Yugoslav federation, once upon a time as pseudo-federal as the Soviet Union, has in many ways seemed more like a confederation in which regional power-holders are supreme at home and in central decision-making. Most former powers of the federal center in Belgrade, except for foreign policy and defense, have devolved to the six republics and two provinces, and even defense has been partly territorialized. Devolution affected the League of Communists as well, despite Tito's partly successful attempt to halt and reverse "the federalization of the party" after 1971. In the key area of "cadre policy," meaning control over appointments and elections to federal as well as republican and local state and party functions, it is now the republican and provincial and not the federal Party bosses who make the important choices. Yugoslavs frequently joke that their one-party (Communist) system has become an eight-party (Communist) one.

The structure and procedural rules of all federal organs—the Federal Assembly (parliament), Federal Executive Council (government), Party Central Committee, etc.—institutionalize and reinforce this principle. Its symbolic and actual culmination is found in the composition of the collective presidencies of both state and Party: the former composed of one representative from each of the eight regions (plus the current President of the Party Presidency), the latter of the presidents of the eight regional Party Central Committees, two others from each Republic, and one other from each Autonomous Province (plus one from the Party organization in the Army, for a total of 23). The President of each of these presidencies serves for a one-year term, which is rotated among the eight regions in a fixed sequence. The entire government system is designed so that only in exceptional circumstances, for which special procedures are stipulated in the Constitution, can laws and regulations affecting the whole country be adopted without the consent of all eight federal units.

The same rule of consensus applies effectively, if less formally, to the more important LCY.

Devolution of *economic* power was supposed to proceed further, in effect by-passing *all* levels of government through almost total "destatification" (*de-etatizacija*) of the economy and of social services normally provided by or through the state in most or all other modern societies. Instead of a total party-state control as in Soviet-style "true socialism" or partial state control as in "modern capitalism," decision-making in the economy and about the distribution of wealth generated there was to lodge with those who actually produce economic wealth and the organizations where they do it: workers in the "self-managed Organizations of Associated Labor" (enterprises, sub-units of these, and associated enterprises), the managers and technicians they hire, and those whom they elect to negotiate for them in business and political matters or about the terms and financing of "de-statified" social services and other publicly financed sectors. In exercising these powers in the framework of "a unified Yugoslav market" they should be governed by individual and collective self-interest, working and making "self-management" decisions in ways they expect will maximize their own welfare (and thereby, courtesy Adam Smith, that of the whole community) in a "planned market economy" based primarily on the free play of the "economic laws" of supply and demand. In brief, a "self-management socialist" version of "laissez-faire" mitigated by "social planning" also done by representatives of workers and enterprises.

It has not worked out that way. As the congress was to hear and everyone already knew, crucial elements of real economic power, while no longer politicized at the federal level as they were two decades ago, are still politicized at the local and especially the republican-provincial level. It is political leaderships in the capitals of Slovenia, Croatia, Serbia, Macedonia, Bosnia-Herzegovina, Montenegro, the Vojvodina, and Kosovo who directly control or decisively influence most investment choices, foreign and inter-regional economic relations, and key pricing and marketing decisions. The reasons and evidence for this blatant deviation from official ideology, the Constitution, and the law of the land are too varied and complex to find space in this *Report*; but it is so.

The net result, in a term of abuse popular in Yugoslav parlance for a decade and at three successive Party congresses, is "eight closed republican and provincial economies." These are said to be characterized by autarkic tendencies, strikingly little play for "market forces," and most of the vices that Yugoslav establishment Marxists, in common with Western neo-classicists and monetarists, consider inevitable when nonmarket forces dictate economic policy and choices.

In the political context described above this kind of local control over a fragmented economy leads to a symbiosis of regional political leaderships and regional economic interests that closely resembles mercantilism in its classic phase. Regional leaders, like kings and princes in the seventeenth century, are primarily the protectors and promoters of their regional economies, against all comers, and they are supported and obeyed in accordance with how well they are seen to do it. Success in this area is their key to staying in power and the key to at least relative prosperity, with minimized effort and risk, for their "self-management socialist" clienteles.

Relations among mercantilist states are competitive in nature. When such states are also nation-states, which is how most Yugoslavs regard their respective federated republics, the emotive aspects of modern nationalism also come into play as aggravating circumstances. Here, moreover, the competition is mitigated by fewer unifying bonds, in the form of Yugoslav "multinational companies" and other multiregional economic organizations and interest groups, than in the European Economic Community—which some Yugoslavs cite, revealingly, as a parallel case of a multistate Common Market with some rudimentary and largely ineffective political institutions! Small wonder, in this situation, that agreement at the pan-Yugoslav level on economic matters, now especially including the distribution of the burden of "stabilization," is so difficult and sometimes impossible.

This radically decentralized political and economic system has, however, one redeeming and overriding virtue. It minimizes the number of issues on which uniform country-wide decisions must be made and the kinds and sizes of central reservoirs of funds, favors, and obligations that must be distributed. It therefore sharply reduces the number of things that the mutually jealous and historically quarrelsome Yugoslav nations, with their different and often conflicting cultures, interests, and priorities, are otherwise likely to quarrel over. This overriding virtue is the baby that most Yugoslavs so far seem reluctant to throw out with the bathwater of economic fragmentation and political immobilism at the federal level.

Each of the alternatives they are offered or occasionally contemplate has other drawbacks that have thus far disqualified it. The legitimizing myth and proclaimed goal of the regime, the noble dream of an ubiquitous, nearly state-less, and party-less "socialist self-management," by the non-national country-wide socioeconomic "pluralism of self-management interests," appear to have lost most of whatever true believers it ever had. On the other hand, it is also certainly true that most Yugoslavs, however skeptical of official ideology and its purveyors, appreciate and would defend the principle of self-management as the source of the considerable freedom and right to participate in making economic, social, and even political choices that enterprises, other institutions, and individuals have gradually come to enjoy in its name. At the other extreme, a kind of throwing in the towel, secession from the Yugoslav union, appeals to only a few in each nation, for several compelling reasons and with the exception of a large number of non-Slavic Yugoslav Albanians who would prefer union with their kinfolk in Albania—a thorny and lately violent irredentist problem also prominent on the congress agenda. As for a stronger federal political center with enhanced powers and jurisdiction, advocacy of which is called "unitarism" in Yugoslavia, it seems bound to lead to one or two situations that already have unhappy or disastrous precedents in Yugoslav history. Either there will again be simply more to quarrel and to deadlock over, or this will be avoided only because some group, in Yugoslav circumstances inevitably carrying the name of a nation, succeeds in imposing its will and policies favorable to its own regional and sectoral interests on the rest. That group would almost certainly consist of those who speak for the most numerous and widespread nation, the Serbs, and whatever allies they could acquire. The first of these outcomes would be no improvement on the present situation. The second would incite another national crisis that could easily become violent to the point of civil war, with unpredictable consequences for Yugoslavia and the wider world in which Yugoslavia holds a strategically sensitive position.

The present system of confederal weakness and inefficient half-true half-fictitious "self-management" and "market socialism" meanwhile has one other virtue, this time contingent and perhaps already historical. It works (or has been working), after a fashion but better than most people, including many Yugoslavs, expected when Tito died and they contemplated the complex Rube-Goldberg-like political structure he had built as his successor: full of strangely moving and connected parts and counterweights, most of them with rapidly rotating tops occupied by little-known people of uncertain ability. Indeed, it has functioned well enough to keep the peace, within and without, and even to achieve consensus and reluctant popular acceptance for several controversial and painful short-term policies, most notably the stringent austerity measures called "stabilization." These may not always have been right or well-considered or adequately coordinated, at least partly because such an apparatus for consensus politics may not be very good at being right, well-considered, and coordinated. In addition, as Stephen Burg has noted, there has been a conspicuous early failure to produce longer-term strategies and policies, in present economic circumstances a potentially ominous indication "that it is more difficult to establish inter-regional consensus on general statements of principle and long-range economic policies than on more detailed, specific short-term policies."[6] But the short-term record is not bad and certainly no worse than in many countries these days, in the long term there is always a tomorrow, and something may turn up....

With such Macawberish comfort and with due regard for the risks inherent in every alternative to present systems—and for individuals or groups vulnerable to charges of "departing from Tito's path" if they advocate the wrong kind of reforms—there is a great temptation to choose "muddling through" as the least of all possible evils. The Twelfth Congress endorsed such a course, albeit with loud misgivings and reservations from many delegates both high and low. It might work, with luck and a better economic wind than came in the closing months of 1982 or is forecast for 1983.

(December 1982)

NOTES

1. Mitja Ribičić, lecture delivered at the party's higher political school in Kumrovec, as quoted in *Politika* (Belgrade), September 14, 1982.

2. Numbers in the following paragraphs are taken from several frequently conflicting sources, including Congress documents, the Yugoslav press and *Statistički godišjnak*, OECD country reports, et al., and represent my best guess as to relative accuracy after discussion with Yugoslav economists, bankers, and foreign observers. The margin for error is in each case considerable.

3. Not because the figures are deliberately manipulated, but because many of the unemployed are not registered—either because they consider the job quest hopeless or because they are "worker-peasants" who traditionally return to "underemployment" on a minuscule family farm, where their labor is not needed, when there are no jobs in town.

4. Usually by including items that are not always defined as part of a state's foreign debt (e.g., unpaid foreign currency bills of individual enterprises). No one, apparently including the Yugoslav government and National Bank, really knows the precise figure ("unless the CIA does?" a Yugoslav economist friend wondered hopefully). This is partly because the large number of various kinds of holders of foreign currency liabilities and assets complicate the picture and partly because ingenious ways of fiddling hard currency accounts and deposits, devised over years of liquidity crisis by banks, local and regional governments, and enterprises, have become a complex foreign currency shell game that confuses even domestic scorekeepers.

5. *NIN* (Belgrade), December 26, 1982.

6. Steven L. Burg, "Yugoslavia"Without Tito: Prospects for Stability (paper prepared for the 22nd Annual Convention, International Studies Association, Philadelphia, March 1981), p. 6, where Burg explains the difference as follows: "The former type of decision-making appears to engender more serious conflict because it involves the general commitment of larger amounts of resources over longer periods of time. The latter type of decision-making permits greater flexibility and bargaining among various interests and is characterized by 'log-rolling' and other interest-accommodation practices that facilitate the resolution of inter-regional conflicts." Burg's analysis of the system's functioning and deficiencies during the first year after Tito's death is detailed, persuasive, and extremely useful.