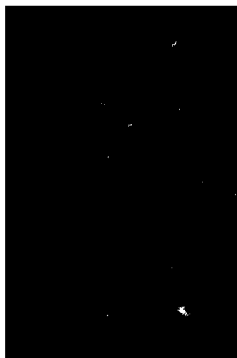


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Post-Tito Yugoslavia is a more open society than was the Yugoslavia of the 1970s. The media display considerable criticism and autonomy. Yugoslav foreign policy has been marked by continuity in the period since Tito's death. Good relations with the West have continued, and Soviet-Yugoslav relations have been clouded only by the Polish unrest. Relations with Albania have deteriorated as a result of the Kosovo unrest. The collective successionist institutions in Yugoslavia have worked because in the quasi-confederation that is Yugoslavia, and in the League of Communists that rules, power flows up from the constituent republics and provinces, not down from the center. Kosovo was shaken by severe unrest earlier in the year. Kosovo notwithstanding, the main challenge confronting post-Tito Yugoslavia is resolution of the country's serious economic problems. These may be tackled more or less successfully, but they will be approached on the basis of interrepublican consensus, not centralized decisions. 16 pp. (Author)

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A RAND NOTE

IMPRESSIONS OF POST-TITO YUGOSLAVIA: A TRIP REPORT

A. Ross Johnson

January 1982

N-1813



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PREFACE

This Note reports on a trip to Western Europe and Yugoslavia between September 27 and November 7, 1981, taken to consult with Western specialists on Yugoslavia in Munich and Vienna and to solicit the views of Yugoslav officials and experts about current Yugoslav developments. Most of the author's time in Yugoslavia was spent outside Belgrade, in Ljubljana, Zagreb, Sarajevo, and Skopje, so that he could better inform himself about developments and views throughout Yugoslavia.

The author is indebted to Radio Free Europe/Radio Liberty, Munich; Ambassador David Anderson and the staff of the American Embassy, Belgrade; Mr. Olaf Grobel, American Consul-General, Zagreb; the Yugoslav Embassy, Washington; and the Yugoslav Federal Administration for International Scientific, Educational, Cultural, and Technical Cooperation and the counterpart administrations of Bosnia-Herzegovina, Croatia, Macedonia, Serbia, and Slovenia for assistance in the course of this trip.

During his visit to Yugoslavia, the author discussed current Yugoslav affairs with some seventy federal and republican Party and government officials, journalists, and intellectuals. His principal observations--derived from these talks, from conversations with Western specialists, and from following the Yugoslav media--are recorded in this Note. While the author is indebted to his Yugoslav discussion partners for talking openly to him, the judgments expressed in this Note are, of course, his alone.

SUMMARY

Post-Tito Yugoslavia is a more open society than was the Yugoslavia of the 1970s. The media display considerable criticism and autonomy; they are increasingly informative but regionally differentiated. Yugoslav foreign policy has been marked by continuity in the period since Tito's death. Good relations with the West have continued, and Soviet-Yugoslav relations have been clouded only by the Polish unrest. Relations with Albania have deteriorated as a result of the Kosovo unrest. The role of Albania as a potential source of European instability deserves greater attention.

The collective successionist institutions in Yugoslavia have worked because in the quasi-confederation that is Yugoslavia, and in the League of Communists that rules, power flows up from the constituent republics and provinces, not down from the center.

Kosovo was shaken by severe unrest earlier in the year, and for the foreseeable future it will be a chronic but probably containable problem; further concessions to Albanian nationalism are not likely.

Kosovo notwithstanding, the main challenge confronting post-Tito Yugoslavia is resolution of the country's serious economic problems. These may be tackled more or less successfully, but they will be approached on the basis of interrepublican consensus, not centralized decisions. Yugoslavia cannot be recentralized.

IMPRESSIONS OF POST-TITO YUGOSLAVIA

A MORE OPEN SOCIETY

"There are no taboos here any more," one interlocutor said, and the statement is largely (if not totally) valid. On the average, the Yugoslavs with whom I spoke were more open than my conversation partners had been during previous trips (1964-65, 1971, 1972, 1975, 1978). More significant is the new openness and "investigative reporting" of the Yugoslav media, a "post-Tito" phenomenon that Yugoslav journalists attributed most directly to the Kosovo disturbances (about which more later); the initial de facto ban on coverage of the Kosovo unrest only encouraged a subsequent opening of the information floodgates once the magnitude of the Kosovo problem was admitted and lack of information about developments there was cited as a major contributory factor. The circulation of NIN (the major weekly magazine) increased from 120,000 to 200,000 after (and, I was told, as a direct result of) the Kosovo riots.

The Yugoslav media appear to operate more autonomously than they have in the past. Internalized political criteria and general political directives from Party and other bodies, rather than specific instructions, motivate editors and journalists. A controversial commentary in Delo (the Ljubljana daily) on Sadat's assassination, I was told, was written and published without being discussed outside the editorial offices. One young foreign affairs commentator said he could remember only three cases of "suggestions" being made to him by the Federal Secretariat for Foreign Affairs on coverage of international affairs; another related that he used to inform the Secretariat before interviewing foreign dignitaries but had stopped that practice entirely.

But some polemics in the media involving republican/national differences may be a more direct reflection of interrepublican divergences at the political level. A case in point is the debate between Peter Jovic in Oslobodjenje (Sarajevo) and Nenad Kedzmanovic in NIN[1] on whether "republican statism" is a greater danger than "federal statism." Jovic (I was told) heads the ideological department of the Bosnian Party and was thus in effect espousing a "Bosnian" position. Kedzmanovic's role is not as clear-cut: He too is a Bosnian and was formerly chief editor of Opredjeljenje; his views may find resonance in Serbia, but they are hardly authoritative. In any case, directly political media polemics remain the exception. Local coverage of local political affairs is very much the rule. I noticed several examples of quite inadequate reporting in the Belgrade press of the speeches of regional officials (the reports may have been consciously distorted to minimize differences from Serbian views). Yugoslavia is a quasi-confederation (about which more later) with an increasingly informative and regionally differentiated press. Analysts of Yugoslav affairs must read republican media--not just the Belgrade press--accordingly.

FOREIGN POLICY CONTINUITY

Although Yugoslav foreign policy was not my primary subject of investigation, the topic did come up with a number of interlocutors, who reinforced an impression of continuity since Tito's death. Several stressed their satisfaction with bilateral U.S.-Yugoslav relations, including U.S. actions against emigre violence and the visits of

[1] NIN, September 6 and November 1, 1981; Oslobodjenje, October 22, 1981.

Secretary of State Haig and Assistant Secretary of State Eagleburger. Relations with Western Europe were described as equally satisfactory, with the exception of the economic barriers to Yugoslav exports created by the European Community. Relations with the USSR remain what I would term correct and insincere. Soviet policy toward Yugoslavia since Tito's death has been one of blandishments rather than threats--to an extent that has surprised the Yugoslavs (and specifically, I was told, Foreign Secretary Vrhovec). The share of Yugoslav foreign trade with the Soviet bloc has increased moderately[2] and my interlocutors described this as a source of potential but not current Yugoslav concern; they foresaw adverse political as well as economic ramifications should the trend continue (which they hoped would not be the case). One specialist outlined the mentality that in time could lead to greater accommodation of Moscow: In an enterprise in Croatia that was heavily dependent on Soviet trade, the director asked him why the Yugoslav press had to write so critically about matters that affected Soviet interests, such as Poland.

Poland has in fact cast the only immediate shadow over Soviet-Yugoslav relations in the initial post-Tito period. Earlier, I had thought that the Yugoslavs were at times equivocal in interpreting the Polish crisis; but after talking to Yugoslav observers of the Polish scene and carefully following Yugoslav press and television coverage of Poland for five weeks, I reached a different view: Yugoslavs were clearly on the side of Solidarity (although they did not support all its

[2] Forty-four percent of Yugoslav exports went to Comecon countries in 1980, as compared to 43 and 42 percent in 1978 and 1979, respectively. Thirty-eight percent of exports went to developed Western countries in 1980, as compared to 39 and 41 percent in 1978 and 1979, respectively. Initial figures indicate a greater increase in the share of exports to Comecon countries in 1981.

tactics) and were pessimistic about an outcome that did not involve Soviet military intervention.[3] Yet I was unable to solicit much comment on what a Soviet military invasion of Poland would mean for Yugoslav security. None of my interlocutors could outline a "Polish future" in which the Polish Party successfully rejuvenated itself and struck an "historic compromise" with Solidarity and the other forces of social dissent in Poland. Moscow has formally protested against Yugoslav media treatment of developments in Poland--the only element of overt disharmony in Soviet-Yugoslav relations in the last year that I could discern and testimony to the continued linkage (which some Western observers have been too quick to dismiss as no longer relevant) between the state of Soviet-Yugoslav relations and developments elsewhere in Eastern Europe.

Some of my conversation partners seemed convinced that Moscow had somehow been involved in stirring up the Kosovo disturbances. Albanian complicity was generally assumed. Lack of reciprocity in past bilateral relations was singled out as one factor contributing to the disturbances. Although economic and other ties with Albania would be maintained, I was told, it would be on a Yugoslav basis, and special ties between Albania and Kosovo would no longer be tolerated. As for Albania itself, most of my discussion partners expressed concern with the possibilities of instability and Soviet inroads, following the death of Albanian Party leader Enver Hodza. The role of Albania as a potential source of European instability and a potential Soviet beachhead on the Adriatic deserves greater attention.

[3] See the booklet Pota Poljske published by the Slovane CP in late 1980.

THE QUASI-CONFEDERAL YUGOSLAV SYSTEM

"Post-Tito Yugoslavia" is now eighteen months old--and so far, it "works." The collective successionist Party and state institutions with rotating presidents, which functioned for years prior to Tito's death but with Tito always in the background, have evidently fulfilled their intended roles. Since Tito's death, Sergej Krajger (a Slovene) has replaced Cvijetin Mijatovic (a Serb from Bosnia-Hercegovina) as head of the state presidency; and in October 1981, Dusan Dragosavac (a Serb from Croatia) replaced Lazar Mojsov (a Macedonian) as head of the Party presidency. If personal animosities have appeared among Yugoslavia's collective leadership, they have not been exhibited in public and have not paralyzed the successionist institutions.

That the collective leadership has functioned is hardly surprising; the basis of Yugoslavia's unique collective leadership institutions is the quasi-confederal nature of Yugoslavia and the fully legitimized claim of each of the country's constituent republics and nations to be equally represented in decisionmaking forums.[4] The League of Communists of Yugoslavia (LCY) itself functions on the basis of decentralized political power--more so, I would argue, than I judged prior to undertaking the trip. One Central Committee member described the LCY as indeed a federation of republican Parties. Publicly, this notion (openly advocated by Croatian reformers/nationalists at the turn of the 1970s) is still heresy; privately, some of my contacts first disputed the notion but in fact (insisting that "democratic centralism" in Yugoslavia is attuned to "our conditions") supported the thesis that the LCY is today more federalized or even confederalized than the Party

[4] See the discussion in A. Ross Johnson, Yugoslavia: The Non-Leninist Succession, P-6442, The Rand Corporation, January 1980.

structure of 1972 that Tito sought to partly recentralize in the wake of the nationalist ferment of 1970-71. In the LCY Presidency or Central Committee, I would judge, decisions cannot be forced on an opposed republican Party leadership, except in a crisis such as that in Kosovo.

Whatever the official rhetoric, the reality of a federal/confederal Party is testified to by the distribution of professional Party functionaries. Of 1,514 acknowledged professionals, only 25 are employed by the federal Party, while the rest work for the republican Party organizations (the largest number, 578, work for the Serbian Party). [5] The "skyscraper" that houses the apparatus of the LCY is an imposing structure, but most of the floors are evidently filled with Serbian Party officials. As one interlocutor put it, "How in fact could the Party be organized on a different basis than the rest of the Yugoslav political system?" The process of decisionmaking at the federal Party level (especially the relationship between the federal executive secretaries and the republican Party apparatuses) remains opaque, but it clearly does not involve an independent Yugoslav "Party center" dictating to constituent subelements. In the Party, as in the rest of the political system, Yugoslavia lacks a central apparatus--indeed, I would argue, a central political class. Tito once said that Belgrade needed "people from the republics who are not republicans," yet I cannot characterize any member of the Party or State Presidency except General Ljubicic as a "non-republican" in the sense of having an all-Yugoslav identity and constituency. In the quasi-confederation that is Yugoslavia, and in the LCY that rules, power flows up from the republics, not down.

[5] Politika, November 9, 1981.

Hence, I would argue, Yugoslav statements that defend the notion of a "Party center" against confederalist tendencies are a mystification of present reality, while Western analyses that counterpose a "Party center" to a decentralized governmental and economic system are wrong. The ongoing Yugoslav discussion of "democratic centralism" in the Party must be interpreted in this context. While the discussion might at first glance appear to be a campaign to preserve the integrity of a central Party structure against centrifugal tendencies, I believe that it is in fact a rear-guard effort by forces in the Serbian Party to, first and most important, reestablish the authority of the Serbian Party organization over the Kosovo Provincial Party apparatus and, second, to inhibit any further decentralization of the federal Party itself. [6] I do not expect the "campaign" to affect the organization of the LCY prior to or at the upcoming Twelfth Congress. The discussion of democratic centralism is, one high federal Party official told me, "much ado about nothing." [7] A second official warned against concluding from published reports of the pre-Congress Statutory Commission that the powers of the republican Parties would be curtailed. The Twelfth Congress itself, another official said, will be a "congress of continuity"; important modifications of the economic system are being prepared now, but the Congress itself will not bring dramatic changes.

[6] See especially the deliberations of the Serbian Association of Political Science, as reported in NIN, November 1, 1981, and in the daily Belgrade press.

[7] See the related interview with Veljko Milatovic, head of the Montenegrin state presidency, Vjesnik, October 31, 1981: "... time has been wasted in loud, idle chatter about democratic centralism."

KOSOVO

The federal and Serbian Party leaderships did intervene in the Kosovo provincial Party organization this year, in the wake of the spring riots, and forced the ouster of Mahmut Bakali as head of the provincial Party organization, along with scores of his associates. But it is only in such an extraordinary situation of civil unrest, where all other regional Party leaderships are united and the failure of the directly affected leadership is undeniable, that direct "external" intervention in the cadre policy of a republican/provincial Party is today thinkable. The discussion in Yugoslavia during the summer and fall about the "causes" of the Kosovo events have provided ample documentation of just how self-contained were the activities of the Kosovo provincial Party organization. [8] Several republican officials told me they first learned the details of the Kosovo events "in the press"; vertical Party reporting channels did not operate and (more speculatively) internal security channels may have failed as well. Asked "Didn't Party officials in Belgrade and in the republics know what was going on in Kosovo?" one republican Party official replied, "It's a sign of how decentralized Yugoslavia is that we didn't know--or if we suspected, we did not want to seem to patronize the Kosovar officials by asking too many questions." Like a colonial power bending over backward to avoid offending an assertive and sensitive ex-colony, the political establishments elsewhere in Yugoslavia stood aside as Kosovo followed its own road to crisis.

I did not visit Kosovo, but the subject came up in literally every conversation. Although violence has not recurred since the spring,

[8] See the "Bakali commission" report, Komunist, September 23, 1981.

national and economic tensions continue--as renewed (non-violent) protests in early November confirmed. Two Yugoslav television documentaries aired during my visit were surprisingly open in reporting on the continued need for the presence of the "Combined Staff of Security Organs in Kosovo"--evidently elite internal security units from each republic and from the province of Vojvodina that serve as the active "occupation" force, with regular army units backing them up. "The enemy has been dealt a blow (potucen) but not defeated (dotucen)," declared an internal security commander in one of the documentaries.

The "occupation" of Kosovo is one part of a three-pronged Yugoslav approach to the Kosovo unrest (confirmed at the 22nd LCY Central Committee plenary session in November) which involves (1) maintaining a coercive presence of internal security and army units from other parts of Yugoslavia for the indefinite future; (2) purge of the Kosovo "establishment" (although a less radical purge than most Serbs I talked to would like and less radical than the purge of the Croatian Party in 1971); and (3) new forms of economic ties and assistance monitored closely by Belgrade and the republican capitals and intended to shift economic development away from capital-intensive infrastructural projects to labor-intensive manufacturing and service industries that can soak up more of the province's growing pool of young unemployed.

What is not to be expected in Kosovo is greater concessions to Albanian national affirmation. The rights to linguistic and cultural self-expression and home rule that many Croats sought in 1970 (and won in part after 1970) were implemented in Kosovo in the 1970s--to such an extent as to isolate Kosovo in many respects from the rest of Yugoslavia. The slogan of the Kosovo demonstrators, "Kosovo a

Republic," i.e., elevation of Kosovo from provincial to republican status, will not be translated into practice. Official Yugoslavs regard the slogan as a transparent first step toward Kosovo's secession from Yugoslavia and its union with Albania; this was apparently the goal of some of the demonstrators. But even in strictly domestic Yugoslav terms, republican status for Kosovo is not a measure to be expected or (in my view) desired. Just as is the case with nation-states in postwar Europe, changes in the political-territorial status quo within Yugoslavia itself are likely to create more problems than they solve, especially given Yugoslavia's complicated territorial-ethnic situation. Republican status for Kosovo would raise questions about the status of the compact Albanian settlements in Macedonia and Montenegro. More importantly, it would mean definitive formal separation of Kosovo (the center of the Medieval Serbian state) from Serbia, with a resulting increase in Serbian nationalism--which is already growing--throughout Yugoslavia. Yugoslav political rhetoric insists that "all nationalisms are equally dangerous," but in fact Serbian nationalism is the most dangerous by far. As the only political vehicle of centralism, it is the only nationalism that can induce disintegrative counterreactions elsewhere in the country. Albanian nationalism, on the other hand, can probably be isolated. For the foreseeable future, Kosovo is likely to remain a chronic but containable problem for Yugoslavia.

A UNIFIED YUGOSLAV MARKET?

Kosovo notwithstanding, the main challenge confronting post-Tito Yugoslavia is resolution of the country's serious economic problems. "We consciously overdramatize the problems," one of the authors of the

present economic stabilization program told me, "in order to get action." It is my impression, however (and I think that of most Yugoslav and Western specialists), that on the contrary, Yugoslavia has yet to take its economic difficulties seriously enough. These problems are not unknown in other countries: an overheated economy, indiscriminate investment, balance-of-payments difficulties, a real rate of inflation of over 40 percent last year, and a decline in the living standard. The causes are both domestic and international; they came to a head in 1979 (under Tito), when the country had a \$3.4 billion foreign exchange deficit.

Yugoslavia's economic difficulties have occurred in the context of, and are surely partly the consequence of, a considerable breakdown in the "unified Yugoslav market" supposedly guaranteed by the 1974 Yugoslav Constitution. Both "unified Yugoslav" and "market" aspects of the economy have been diluted by the development of what Dragosavac has called "legalized economic nationalism" in the republics. This is particularly striking with regard to foreign currency earnings; the "foreign exchange positions" established as accounting measures for each republic have increasingly turned into republican foreign exchange balances. As one Slovene official told me, "Our self-management system precludes the alienation of surplus labor, and that includes foreign exchange earnings." The Yugoslav economy has been radically decentralized--to an extent far beyond that envisaged at the time the 1974 Constitution was passed. Economically, Yugoslavia has increasingly resembled the European Community rather than a unified nation-state.

In late September 1981, a new economic stabilization program was decreed by the 21st plenary session of the LCY Central Committee. Once

again a major political initiative was launched at an LCY Central Committee plenum--one aspect of the continued "leading role" of the Party in Yugoslav life. Yet in intervening programatically in the economic system, just as in intervening in Kosovo to change the political leadership, the supreme federal Party bodies acted not as a Party "center" but on the basis of interrepublican consensus at the top Party level that stronger measures were required. The plenum announced the formation of a new top-level advisory commission to deal with economic stabilization; the composition of the commission (headed by state presidency head Krajer and with representatives from republican and federal Party, state, and economic bodies) is further testimony to the reality of political rule in Yugoslavia by what Dennison Rusinow has called a "polycentric polyarchy." The stabilization program being worked out calls for a variety of economic belt-tightening measures in an effort to reduce inflation, limit the foreign exchange deficit to under \$1 billion in 1982, and increase productivity. The underlying approach to economic stabilization is a further turn toward reliance on market forces, less political intervention at the republican level, and more involvement in the international economy--in effect, as several interlocutors put it, continuing the economic reform that was launched in the late 1960s but never completely implemented. "The only way out is a further opening of the Yugoslav market to the world," was how several discussion partners characterized the essence of the upcoming economic measures. And this conviction was shared by officials and specialists I talked to in all parts of the country--less developed as well as more developed. I could detect no support for an alternative program, either the status quo or greater state control. Several

discussion partners thought that in tackling these troublesome economic issues, Yugoslavia was facing its biggest challenge since 1948 and the conflict with Stalin.

Economic stabilization and reform in Yugoslavia require a unified Yugoslav market--a logical postulate that was articulated in a number of my conversations. Assuming more play for market forces, a unified market requires in turn a federal mechanism to encourage and protect it--a mechanism that has been lacking in recent years. It is over how to create such a mechanism--whether on the basis of independent federal powers or interrepublican consensus--that the key Yugoslav economic and political debate is now being conducted. One factor contributing to current economic problems is the delays that have occurred in reaching interrepublican consensus on all-Yugoslav economic decisions, even on minor matters.[9] Yet I found support for independent federal economic authority only in Serbia; elsewhere there is steadfast opposition. As one Slovene official put it, "What we need is not stronger federal authority, but more efficient federal authority," still operating on the basis of interrepublican consensus. I found an awareness throughout the country of the need to approach economic policy on an all-Yugoslav, less particularist basis--and that conviction is a positive harbinger. But I did not find much thinking (or I failed to elicit much detail) about concrete implementing measures. As one interlocutor put it, in late October, "It is still a discussion about a discussion."

Yugoslavia may deal more or less satisfactorily with its current economic problems. ("Solutions" are presumably as remote as they are in

[9] E.g., the 1976-1980 social plan envisaged 47 implementing inter-republican agreements, but only 14 had been concluded by late 1977 (Politika, October 6, 1981).

other countries, while the same is true of forecasts of economic doom.) More satisfactory outcomes will depend in part on external economic factors and perhaps, as several of my interlocutors argued and advocated, on readiness in the West to help in at least modest ways. But the same interlocutors would quickly agree that Yugoslavia must rely primarily on its own efforts to get its economic house in order. That will require popular acceptance of economic sacrifices, in terms of past expectations, and greater toleration of economic inequalities and even social unrest as a consequence of stopping unjustified investments and closing unproductive "political factories." It will probably require freeing Yugoslav agriculture from the shackles of the ten-hectare limit on private holdings and other constraints on private agriculture--a political, economic, and ideological anachronism of 1953. Successful economic policy assumes that the ensuing economic sacrifices will not fall disproportionately on the less developed "South," a matter that should not be prejudged in the negative. More generally, it assumes that the different real economic interests of the various regions can be reconciled--in a context where those interests could again fuel destructive nationalisms. Slovenia, for example, has demonstrated that it will oppose both a "travel tax" (proposed by the federal finance minister to limit hard currency outflow) and the issuing of new money to finance recovery from the 1979 earthquake in areas other than Montenegro. Will such measures prove acceptable to other republics?

My Yugoslav discussion partners uniformly thought a favorable outcome was probable, although some thought the odds were too close for comfort. An informed outside estimate of the prospects requires a detailed economic analysis of just how serious the current economic

problems are (in comparative perspective), whether (as I suspect) the economy and society are still sufficiently semi-peasant to provide an economic and social "cushion" (which seems to be absent in Poland, with its new working class), and whether the stabilization measures implemented or now under discussion that aim at a more open, market-oriented economy in fact stand to help in the international economic environment of the 1980s. I have not seen such analyses; they are urgently needed.

While the economic dimensions of post-Tito Yugoslavia are unclear, the political contours are more distinct. However severe Yugoslavia's economic problems, they will not be resolved through recentralization of the Yugoslav political system. Said one Croat official, "If there were recentralization, Yugoslavia would fall apart." My conversations with republican political figures in the South as well as in the North served to increase my confidence in a judgment I (and others) have expounded elsewhere[10]: At the turn of the 1970s, Yugoslavia underwent an irreversible decentralization; under no foreseeable circumstances short of civil war and Soviet invasion could it be recentralized--and perhaps not under those circumstances either. Nor is partial recentralization an option--any more than partial pregnancy. Centralized power in the initial postwar period meant revolutionary, all-Yugoslav, coercive Communist rule; but today centralism could only mean Serbian rule, so unacceptable to the rest of the country as to induce disintegration. While it is easy for outsiders to conclude that Yugoslavia is "too decentralized," I would argue against judging Yugoslavia's future

[10] See A. Ross Johnson, Yugoslavia: In the Twilight of Tito, The Washington Papers, 16, Sage Publications, Beverly Hills and London, 1974, pp. 54-57.

prospects by the standard of the extent to which "centralist" policies or mechanisms are adopted. Improvement in Yugoslavia's economic situation is likely to be sought on the basis of greater play for economic forces, on the one hand, and revocable republican delegations of regulatory powers to federal economic bodies, on the other.

It has been argued--as it was argued by one of my discussion partners--that Yugoslavia missed its chance in the late 1960s and early 1970s to reform its economy in more propitious international circumstances and that it now must pay a heavy price. While the argument may have merit, it ignores a key political consideration. The devolution of political power in Yugoslavia from the center to the republics probably entailed a necessary stage of republican, as opposed to federal, quasi-state economic control. It is only on the basis of having collectively experienced some of the drawbacks of economic "home rule" carried to an extreme that there is a reasonable prospect (but no certitude) of reaching a new interrepublican consensus on a unified Yugoslav market. Reaching that consensus--not making the collective leadership work, resisting Soviet overtures, or controlling Kosovo--is the main challenge confronting post-Tito Yugoslavia.