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Communal Federalism: Dialectics of Decentralization in Socialist Yugoslavia

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One of the most engaging paradoxes of Yugoslav socialist development consists of the self-abnegation of political power. With the institutionalization of Workers' Councils in 1950¹ a unitary political party began to formulate and implement programs which rendered it increasingly obsolescent in the performance of a wide variety of tasks.² Changes in the structure and norms of the League of Communists, originally embodied in the Resolution and Statute of the Sixth Party Congress in late 1952,³ are reflected in doctrines of the withering away of the state (deetatization), the diminution of hierar-

¹ See "Basic Law on the Administration of State Economic Enterprises and Higher Economic Associations from the Standpoint of Workers' Collectives of July 2, 1950," Law No. 391, *Slůzbeni List FNRJ*, VI, 43 (July 5, 1950), 789-793. The most comprehensive account of this period in English is Fred W. Neal, *Titoism in Action: The Reforms in Yugoslavia After 1948* (Berkeley and Los Angeles: University of California Press, 1958). See also: Josip Broz Tito, *Workers Manage Factories in Yugoslavia* (Beograd: Jugoslovenska Knjiga, 1950); and Tihomir Stanojevic (ed.) *Josip Broz Tito: Selected Speeches and Articles, 1941-1961* (Zagreb: Naprijed, 1963). Titles translated into English from Serbo-Croatian are followed by the notation (SC) in all footnotes below.

² In the period 1965-1970—i.e. before the implementation of the new Constitutional Amendments and the ideological mobilization, both of which commenced in late 1971—it appeared that the party and other centralizing or integrative institutions had lost a capacity for the guidance of socialist development. See Deborah Milenkovitch, *Plan and Market in Yugoslav Economic Thought* (New Haven: Yale University Press, 1971), 281-291; Rudi Supek, "Some Contradictions and Insufficiencies of Yugoslav Self-Managing Socialism," *Praxis* (Int. Ed.), Vol. 8, Nos. 3-4 (July-August, 1971), 375-398; and W. N. Dunn, "Ideology and Organization in Socialist Yugoslavia: Modernization and the Obsolescence of Praxis," *Newsletter on Comparative Studies of Communism*, Vol. V, No. 4 (August, 1972), 21-56.

³ See *Sixth Congress of the Communist Party of Yugoslavia* (Belgrade, 1953). For background materials on early party evolution see George W. Hoffman and Fred W. Neal, *Yugoslavia and the New Communism* (New York: Twentieth-Century Fund, 1962), 174-210; Pero Morača, *The League of Communists of Yugoslavia* (Beograd: Medjunarodna Politika, 1966); and R. Čolakovic, D. Janković and P. Morača, *Review of the History of the League of Communists of Yugoslavia* (Beograd: Institute za Izučivanje Radničkog Pokreta, 1963) (SC).

chical relationships within and between organizations (debureaucratization), and the functional differentiation of party from government and economic activities (departyization).⁴ Deetatization, debureaucratization and departyization are not merely doctrinal innovations advanced to justify or rationalize Yugoslavia's unique pattern of socialist development; they also express goals, norms and values which have guided processes of decentralization in local communities and shaped egalitarian social relations conducive to the humanization of work and interaction in a developing socialist society.⁵

Amendments to the Constitution of 1963, which provide the basis for the new Federal Constitution of 1974, represent both a continuation of changes in federal theory and practice begun in 1950, and an effort to implement fully the economic reforms of 1964-1965.⁶ The reforms sought to promote economic efficiency by greater reliance on the market, improve the competitive position of the country in international transactions, and curb domestic inflation. The economic reforms also facilitated increased decentralization of economic decision-making through relinquishment of central controls over prices and planned investments, together with a commitment by members of the League of Communists to the principle of the separation of political and economic power.⁷ Constitutional changes, embodied in some forty-one amendments, limit the role of federal

⁴ A comprehensive and convenient source on normative conceptions of the system is *Mala Politička Enciklopedija [Short Political Encyclopedia]* (Beograd: Savremena Administracija, 1966).

⁵ On humanistic aspects of Yugoslav socialism see contributions by Mihailo Marković, Gajo Petrović, Veljko Korać and Rudi Supek in Erich Fromm (ed.) *Socialist Humanism: An International Symposium* (Garden City: Doubleday, 1966). In addition to relevant articles in Yugoslav journals such as *Praxis* (Zagreb), *Naše Teme* (Zagreb) and *Gledišta* (Belgrade), see: Branko Bošnjak and Rudi Supek (eds.) *Humanism and Socialism* (Zagreb: Naprijed, 1965) (SC); Gajo Petrović, *Marx in the Mid-Twentieth Century* (New York: Doubleday, 1967); and Ljubomir Tadić, *Order and Freedom* (Beograd: Kultura, 1967) (SC). In several of many works Djordjević has applied perspectives of socialist humanism to problems of contemporary legal and political theory, including federalism. See Jovan Djordjević: *The New Constitutional System* (Beograd: Savremena Administracija, 1965) (SC); *The Political System: A Contribution to the Science of Man and Self-Management* (Beograd: Savez Udruženja Pravnika Jugoslavije, 1967) (SC); and *Ideas and Institutions* (Beograd: Radnička Stampa, 1972) (SC). For an overview in English of many of the major themes of these books see Jovan Djordjević, "On the Classification of Political Systems," *International Problems* (Beograd: Institute for International Politics and Economics, 1967), 71-90.

⁶ See Edvard Kardelj, "Contradictions of Social Property in Contemporary Socialist Practice," *Socialist Thought and Practice*, No. 50 (January-February, 1973), 3-61.

⁷ See Rudolf Bicanić, "Economics of Socialism in a Developed Country," *Foreign Affairs*, Vol. XLIV, No. 4 (July, 1966), 633-650 for an account of the political implications of the reforms. On the Resolutions, Program and Statutes of the League of Communists see: *Eighth Congress of the League of Communists of Yugoslavia: Practice and Theory of Socialist Development in Yugoslavia* (Beograd: Međunarodna Politika, 1965); and *Program and Statutes of the League of Communists of Yugoslavia* (Beograd: Komunist, 1965).

organs to the conduct of foreign affairs, the maintenance of national defense and security, the protection of principles of self-management, and the power to guarantee freedom of access to a single unified market.⁸ Recent amendments—described by Kardelj in terms of fuller deetatization, debureaucratization, self-management and the provision of full equality to republics and national minorities—⁹ also extend unit-veto powers to members of the State Presidency (the new collective executive established in 1971) in matters relating to economic policy and the social plan. Unit-veto provisions, together with a rigid amending procedure which requires unanimous agreement of republic and provincial assemblies, suggest a system to which the term *federal* seems no longer appropriate.¹⁰ Indeed, constitutional changes may render conventional understandings of Yugoslav federalism obsolete, inoperative, or largely irrelevant. Conventional language succeeds only imperfectly in describing a dynamic, adaptive and highly complex system in which authority is radically decentralized and power widely shared, calling into question the adequacy of current approaches to theory and research.¹¹

⁸ Among many sources on the Constitutional Amendments see: Edvard Kardelj, "Report on the Amendments to the Constitution," *Socialist Thought and Practice*, No. 42 (January-March, 1971) 3-47; Milentije Popović, "The Amendments Provide a Material Base for the Dominant Influence of the Working Class," *ibid.*, 65-70; and Jovan Djordjević, *Federalism, Nation, Socialism: A Contribution to the Public Debate on the Constitutional Changes* (Beograd: Privredni Pregled, 1971) (SC).

⁹ *Borba* (March 3, 1971).

¹⁰ Problems related to the appropriateness of federalism as a concept describing existing authority relations in Yugoslav society have not been absent in general debates concerning the amendments. Various groups and individuals have advanced a multiplicity of concepts, including federalism, confederalism, statism, anarchism, liberalism, and consociational socialism. The question as to whether the term federalism should be included at all in references to the new constitution has also been raised. The character of discussions may be grasped by consulting several sources, including: Kardelj, "Report on the Amendments to the Constitution;" B. Pupiċ, "Yugoslav Federalism and its Current Problems," *Socialist Thought and Practice*, No. 38 (January-March, 1970), 145-154; and Vuċina Vasović, "Character and Functions of the Federation in a Self-Managing Society," *Socialist Thought and Practice*, No. 32 (October-December, 1968), 98-103. The latter is a report of a seminar on "The Character and Functions of the Federation in the Process of Establishing a Self-Managing Society," held in November, 1968 at the Institute for Political Studies of the Faculty for Political Science, University of Belgrade. See also "Political-Scientific Discussion of the Constitutional Reform in Yugoslavia: Survey of the Colloquium held December 7-11, 1970 at the Faculty of Law in Zagreb," *Socialist Thought and Practice*, No. 42 (January-March, 1971), 83-90.

¹¹ Observations by students of U.S. federalism concerning the inadequacy of conventional conceptualizations of intergovernmental relationships are also applicable to research on Yugoslav federalism. "We have reached a point at which we must look at the interactions (between conflicting and cooperating units in federal systems) vertically and horizontally and then must develop a new theory from that perspective." See David B. Walker, "Response: Relevant Research Required," *Public Administration Review*, Vol. 30, No. 3 (May-June, 1970), 269.

A reconceptualization of the Yugoslav system in terms of *communal* federalism may provide us with a framework which more closely approximates important changes in norms, structures and behavioral relations in Yugoslav society.¹² Communal federalism may be taken to refer to a system in which leaders and groups in local communities share a greater relative influence over what occurs in society as a whole than leaders and groups occupying positions in provincial, republic or federal organs.¹³ Although the relative salience of leaders and groups is difficult to assess in the absence of systematic field research, tendencies toward decentralization and autonomy in local organizations are evident in political-cultural patterns, investment and budgetary flows, legal and institutional changes, and other relevant indicators. Communal federalism may also be viewed in terms of change, conflict and the adjustment of competing values, evidenced in the concurrent functional and territorial centralization and decentralization of decisions.¹⁴

Social and political change in Yugoslavia has been multilinear, despite simplifying assumptions characteristic of prevailing Western approaches to evolutionary growth and modernization. The latter represent a linear paradigm of structural differentiation and secularization of culture to which national political elites are required to adapt if political systems are to remain viable.¹⁵ On the contrary, Yugoslavia's postwar development has been marked by successive periods in which central party and government controls have been reasserted so as to fulfill perceived social responsibilities, including

¹² Communal federalism is consistent with emphases by officials, leaders, and social scientists on communal self-management as the foundation of Yugoslav society. See, e.g., Edvard Kardelj, "To Start From the Commune," *Socialist Thought and Practice*, No. 42 (January-March, 1971), 48-60. "[The] commune," writes Kardelj, "should provide the foundation for building up the structure of the republic, whereas the Federation would be built on the republican structure. However, in the latter, too, the direct influence of the commune should be felt." (51).

¹³ Riker, of course, has used a similar criterion or rule of thumb for identifying systems along a continuum from minimal to maximal federations. Riker's formulation is nevertheless confined to relative influence among federal and regional leaders. William H. Riker, *Federalism: Origin, Operation, Significance* (Boston: Little, Brown, 1964), 6-7.

¹⁴ See Gary Bertsch and M. G. Zaninovich, "Centralization versus Decentralization in Yugoslav Society," paper prepared for the 1971 annual meeting of the American Political Science Association, Chicago, September, 1971.

¹⁵ Examples of this approach applied to Yugoslavia include leading empirical studies of the system based on evolutionary structural-functionalism as a theoretical viewpoint. See: M. George Zaninovich, *The Development of Socialist Yugoslavia* (Baltimore: Johns Hopkins, 1968); Zaninovich, "Yugoslav Party Evolution: Moving Beyond Institutionalization," in S. P. Huntington and C. H. Moore (eds.) *Authoritarian Politics in Modern Society* (New York: Basic Books, 1970); and Gary K. Bertsch, "A Cross-National Analysis of the Community-Building Process in Yugoslavia," *Comparative Political Studies*, Vol. 4, No. 4 (January, 1972) 438-460.

citizen participation and decentralization of decisions in local communities. Processes of change have involved substantial conflict: between federal authority and local self-managed bodies; between forms of central planning and market allocation; between capital accumulation and mass consumption; between different groups and social strata; and between revolutionary values of socialism and those of modernization, industrialization and economic growth.¹⁶ Relationships between centralization and decentralization have been complex, adaptive and conflicting, demonstrating that the Yugoslav system cannot be easily or satisfactorily explained by using conventional approaches to federalism.

The main thesis of this paper—that leaders and groups in local organizations tend to exert a greater relative influence over what occurs in Yugoslav society as a whole than leaders and groups occupying positions in republic, provincial or federal organs—is presented below in three sections. In the first section we review approaches to the study of Yugoslav federalism. A second section provides an analysis of communal federalism and its dynamic properties of centralization and decentralization, expressed in the form of propositions for comparative analysis. In a concluding section we briefly consider implications of the Yugoslav experience for theoretical and empirical research on federalism.

YUGOSLAV FEDERALISM: RESEARCH APPROACHES

The comparative study of federal systems involves the establishment of general principles or propositions concerning processes of centralization and decentralization across various societies. The comparative analysis of federal systems, whether systematic or residual, may assume several forms:¹⁷ (1) largely static approaches which employ descriptions of legal arrangements through the analysis of language; (2) dynamic and sometimes historicistic approaches which employ genetic explanations of the conditions under which federal

¹⁶ See Veljko Rus, "Introduction: Conflicts in Contemporary Yugoslav Society," *International Journal of Sociology* (1973), 323-332. The entire issue of this journal is comprised of translations of several papers presented at The Sixth Scientific Conference of the Yugoslav Sociological Association, Portorož, February 10-13, 1972. The Conference materials, which contain sixty-two papers, are published by the Slovenian Sociological Society and The Yugoslav Sociological Association under the title *Social Conflicts and the Socialist Development of Yugoslavia* (Ljubljana: Janez Plesko, 1972) (SC).

¹⁷ Riker's classification of approaches (*op. cit.*, 157-162) includes: (a) comparative works; (b) country studies concerned with the origins or genesis of federalism or (c) its maintenance and operation; and (d) evaluative works.

systems emerge; (3) functional and system-maintenance analyses which concentrate on the continuity and persistence of federal systems, typically based on an equilibrium model of change; and (4) explanations of change in federal systems which focus on contradictions, conflicts and discontinuities, typically including a variety of social, cultural, political and legal variables. Among studies of federal systems which are explicitly comparative, most employ descriptions of legal arrangements or concentrate on continuity and persistence through the analysis of structural properties of federal institutions and political parties.¹⁸

Studies of Yugoslav federalism by outside observers suggest two principal research-guiding interests. There has been a manifest concern with legal and institutional similarities and differences between Yugoslavia and the Soviet Union, with the bulk of empirical studies emphasizing contrasts between the two systems.¹⁹ Second, among country studies of Yugoslav federalism a predominant research-guiding interest has been the analysis of the degree to which structures, processes and behavior conform to the normative image and expressed values of the system. Most studies emphasize the high degree of symmetry between theory and practice.²⁰ There is, moreover, a clear correlation between analysts' familiarity with the system and their conclusions: the more distant and uninformed the observer,

¹⁸ The purposes of this paper do not include a review of literature on specific, general or comparative aspects of federal systems. See: James W. Fesler, "Approaches to the Study of Decentralization," *The Journal of Politics* XXVII (August, 1965), 536-566; Carl J. Friedrich, *Trends in Federalism in Theory and Practice* (New York: Praeger, 1968); William H. Riker, "Six Books in Search of a Subject or Does Federalism Exist and Does It Matter," *Comparative Politics*, II (October, 1969), 135-146; and A. Lee Fritschler and Morley Segal, "Intergovernmental Relations and Contemporary Political Science: Developing an Integrative Typology," *Publius*, Vol. 1, No. 2 (Winter, 1972), 95-122.

¹⁹ See, e.g., Fred Warner Neal, *Titoism in Action* (Berkeley and Los Angeles: University of California Press, 1958); Joseph Frankel, "Federalism in Yugoslavia," *The American Political Science Review* XLIX (June, 1955), 416-430; George W. Hoffman and Fred W. Neal, *Yugoslavia and the New Communism* (New York: Twentieth-Century Fund, 1962); Fred Warner Neal, "The Republics in Yugoslavia," paper presented to the annual meeting of the American Political Science Association, Chicago, September, 1964; and Winston M. Fisk, "The Constitutionalism Movement in Yugoslavia," *Slavic Review*, Vol. 50, No. 2 (June, 1971), 277-298. Compare Ivo Lapenna, *State and Law: Soviet and Yugoslav Theory* (New Haven: Yale University Press, 1964), who concludes that the sole doctrinal difference between Soviet and Yugoslav theory consists in the former's insistence that classes do not exist, whereas Yugoslavs make no such claims (51).

²⁰ Analysis of the consistency, as well as discrepancy, between Yugoslav theory and practice has been Neal's distinctive contribution. In addition to sources already cited (*supra*, note 18) see: "The Communist Party of Yugoslavia," *The American Political Science Review*, LI, I (March, 1957), 88-111; "Yugoslav Communist Theory," *The American Slavic and East European Review*, XIX (February, 1960), 42-62; and "Titoist Theory and Titoist Practice," *Journal of International Affairs*, XV, 2 (1961), 115-125.

the more pervasive the tendency to see parallels between the USSR and Yugoslavia,²¹ and the greater the emphasis on Yugoslav federalism as a facade that is unrelated to concrete processes.²²

Studies of Yugoslav federalism by outside observers may also be classified according to several theoretical viewpoints or methodological orientations. Although an explicit concern with federal processes varies, studies may be distinguished according to the types of observations made and the levels of analysis. Studies at the *macro-level* of analysis, based on a predominant interest in the role of national elites, have rested on observations of at least three types: (1) the analysis of legal documents, supplemented with general information and assumptions about political processes;²³ (2) the use of informal interviews and a wide variety of secondary sources on party activities;²⁴ and, (3) aggregate statistical data on federal, republic and local economic, fiscal and budgetary relationships.²⁵ Studies at the *micro-level*—i.e. territorial and functional organizations at the republic and commune levels—have been somewhat more rare. Noteworthy here are two major research thrusts: case studies of territorial²⁶ and func-

²¹ See: Joseph La Palombara, "Decline of Ideology: A Dissent and an Interpretation," *The American Political Science Review*, LX, 1 (March, 1966), 5-17.

²² Among studies which emphasize discrepancies, or tend to dismiss federalism as a facade, see: Charles Zalar, *Yugoslav Communism: A Critical Study* (Washington, D.C.: United States Government Printing Office, for the Subcommittee to Investigate the Administration of the Internal Security Act and other Internal Security Laws, 1961); Friedrich, *op. cit.*, 162-169; and Riker, *Federalism* (1964), 40-41, 45, 130. Riker's more recent thoughts, stressing structural and cultural differences between Yugoslavia and the USSR, may be found in "Six Books in Search of a Subject . . ." (*supra*, note 17).

²³ See, e.g., Edward McWhinney, *Comparative Federalism: States' Rights and National Power* (Toronto: University of Toronto Press, 1962), Ch. 3; Walter Gellhorn, *Ombudsmen and Others: Citizens' Protectors in Nine Countries* (Cambridge: Harvard University Press, 1966), Ch. 6; Winston M. Fisk and Alvin Z. Rubinstein, "Yugoslavia's Constitutional Court," *East Europe* XV, 7 (July, 1966), 24-28; and Fisk, "The Constitutionalism Movement . . ." (*supra*, note 18).

²⁴ See various studies by Neal (*supra*, notes 18 and 19).

²⁵ Jack Fisher, *Yugoslavia: A Multi-National State—Regional Differences and Political Response* (San Francisco: Chandler Publishing Company, 1966).

²⁶ See: Jack Fisher, "The Yugoslav Commune," *World Politics*, XVI, 3 (April, 1964), 418-441; and "City Planning and Housing Administration in Yugoslavia," *Urban Affairs Quarterly* (December, 1965), 1-13; and various papers and documents produced by the American-Yugoslav Project in Regional and Urban Planning Studies, Ljubljana.

tional²⁷ organizations at the local level, and analyses of local political-cultural patterns, which utilize results of survey research carried out by Yugoslav scientific institutions.²⁸

One of the distinctive features of Yugoslavia is the comparatively high level of development of social sciences in the country.²⁹ Therefore, it is not surprising that empirical research of considerable relevance to federalism has been produced in some volume during the past ten or more years. Although it is beyond the scope of this paper to review such literature in any reasonably satisfactory way, examples of studies in the several categories used above illustrate the scope and characteristics of research in the area.

Expositions, critical analyses and interpretations of changes in legal and normative aspects of the system, themselves a reflection of a highly dynamic system, have been produced in great volume. Most of these works focus upon macro-aspects of federal-republic relations.³⁰ Survey research on constitutional changes, social planning

²⁷ Literature in English and French on worker-managed enterprises is extensive and growing. See the following studies and their bibliographies: International Labour Organisation, *Employers' and Workers' Participation in Planning* (Geneva: International Labour Office, 1972); Albert Meister, *Ou va l'Autogestion Yougoslave?* (Paris: Editions Anthropos, 1970); Carole Pateman, *Participation and Democratic Theory* (Cambridge: At the University Press, 1970); Deborah Milenkovitch, *Plan and Market in Yugoslav Economic Thought* (New Haven: Yale University Press, 1971); Ichak Adizes, *Industrial Democracy: Yugoslav Style* (New York: Free Press, 1972); and *Participation and Self-Management*, 6 Vols. (English and French) (Zagreb: Institute for Social Research, 1972-1974). The latter volumes are a collection of Yugoslav and foreign papers presented at the First International Sociological Conference on Participation and Self-Management, Dubrovnik, Yugoslavia, December 12-17, 1972. See also Josip Obradovic and W. N. Dunn, *Workers' Self-Management and Organizational Power in Yugoslavia* (Pittsburgh: Center for International Studies, 1976).

²⁸ For contributions in this area see: M. George Zaninovich, "Party and Non-Party Attitudes on Social Change," in R. Barry Farrell (ed.) *Political Leadership in Eastern Europe and the Soviet Union* (Chicago: Aldine, 1970), 294-334; Gary K. Bertsch and M. George Zaninovich, "Centralization versus Decentralization in Yugoslav Society"; Gary K. Bertsch, "A Cross-National Analysis of the Community Building Process in Yugoslavia"; Philip E. Jacob, "The Limits of Value Consensus Implications for Integration in Four Countries," *International Studies Quarterly*, Vol. 15, No. 2 (June, 1971), 203-220; International Study of Values in Politics (ISVIP), *Values and the Active Community* (New York: Free Press, 1971); and Alan Barton, Bogdan Denitch and Charles Kadushin (eds.) *Yugoslav Opinion Making Elites* (New York: Praeger, 1973). Survey data for the above studies was gathered by the Institute for Social Sciences in Belgrade.

²⁹ See Bogdan Denitch, "Sociology in Eastern Europe: Trends and Prospects," *Slavic Review*, Vol. 30, No. 2 (June, 1971), 317-340.

³⁰ See: Jovan Djordjević, *The New Constitutional System* (Beograd: Savremena Administracija, 1965) (SC); Jovan Djordjević, Najdan Pasić, Stanislav Grozdanić and Vojislav Stanovčić (eds.) *Theory and Practice of Self-Management in Yugoslavia* (Beograd: Radnička Štampa, 1972) (SC); Edvard Kardelj, *Problems of Our Socialist Development*, Vol. VII (Beograd: Kultura, 1968) (SC); and relevant articles by critical social theorists in *Praxis* (International and Serbo-Croat Editions) in the period 1965 to the present.

and development, and values and opinions of national leaders is well developed and comparatively abundant.³¹ Statistical data, also abundant and of relatively high quality, are available on membership, recruitment, skill qualifications, productivity, and fiscal and budgetary aspects of both territorial and functional organizations.³² Among research projects at the local level we find a large number of empirical studies of communal organizations³³ and a vast if not unmanageable number of studies of self-management in economic enterprises.³⁴ In regard to studies of self-management at the local level, one 1966 survey alone lists more than 400 pages of bibliographic entries.³⁵

Among those studies in various categories listed above one finds the use of most major conceptual approaches from strictly legal analysis to community power studies, group process analysis and research on organizational control. Researchers have tested hypotheses drawn from theories of relative deprivation, communications, cognitive ap-

³¹ See, e.g., Institute of Social Sciences, *Public Opinion on the Draft of the New Constitution* (Beograd: IDN, 1964) (SC); *Yugoslav Public Opinion on the Economic Reforms* (Beograd: IDN, 1965) (SC); and Firdus Djinić (ed.) *Opinion Leaders in Yugoslavia*, Vols. I-IV (Beograd: IDN, 1969). An English version of major papers in this volume is contained in Barton, *et. al.* (*supra*, note 27).

³² See Federal Institute for Statistics, *Yugoslavia, 1945-1964: A Statistical Review* (Beograd: Savezni Zavod za Statistiku, 1965) (SC); and Federal Institute for Statistics, *Self-Management and the Social-Economic Development of Yugoslavia, 1950-1970* (Beograd: Savezni Zavod za Statistiku, 1971) (SC).

³³ See Radivoje Marinković's recent study, together with bibliographical citations (281-294): *Who Decides in the Commune* (Beograd: Institut Društvenih Nauka, 1971) (SC); Stojan Tomić, *Political Professionalism* (Sarajevo: Faculty of Political Science, 1972) (SC); and Janez Jerovšek, *The Structure of Influence in the Commune* (Ljubljana, forthcoming) (SC). In English see Janez Jerovšek, "The Structure of Influence in the Commune," *Sociologija: Selected Articles, 1959-1969* (Beograd: Yugoslav Sociological Association, Special English Edition, 1970), 117-136; and Eugen Pusic, "Territorial and Functional Administration in Yugoslavia," *Administrative Science Quarterly*, XIV (March, 1969), 62-72.

³⁴ See: Miroslav R. Acimovic, *Bibliographical Development on Workers' Self-Management in Yugoslavia* (Beograd: Institute Društvenih Nauka, 1966) (SC). For updated bibliographical materials see: *Theory and Practice of Self-Management in Yugoslavia* (*supra*, note 29), 1132-1149; and citations in *Participation and Self-Management* (*supra*, note 26) and Obradovic and Dunn (*supra*, note 27).

³⁵ Acimovic, *ibid.*

perception, status crystallization, and social stratification.³⁶ Most of these theoretical and empirical research efforts are quite sophisticated and highly important for the analysis of federal processes in Yugoslavia, particularly if the thrust of research is multi-disciplinary and oriented toward questions of change, conflict, and adaptation.

COMMUNAL FEDERALISM: FRAMEWORK AND PROPOSITIONS

Federalism may be conceptualized as the interaction and association of relatively independent or autonomous organizations which have explicit, announced and limited goals including the achievement of common aims.³⁷ The rationale for proposing communal federalism as a special case among federal systems is threefold. First, three planes of government—each having at least one area of autonomous action—exercise influence over the same territory. This difference requires an adapted conceptual approach, as well as a strategy pitched heavily toward micro-units of analysis and toward the analysis of differences between local organizations and their social settings. Second, territorial as well as functional organizations exert influences on all planes, typically resulting in conflicting organizational roles and prompting efforts to resolve conflict. Territorial as well as functional organizations may be more or less autonomous at local levels. Lastly, the autonomy of territorial and functional organizations at each level is guaranteed in some way, typically although not necessarily by constitutional doctrine and legal norms.

It seems clear, however, that research which focuses solely on legal norms and formal structural properties has limited significance for dynamic properties of the Yugoslav system. Communal federalism in Yugoslavia operates under peculiar conditions and constraints which

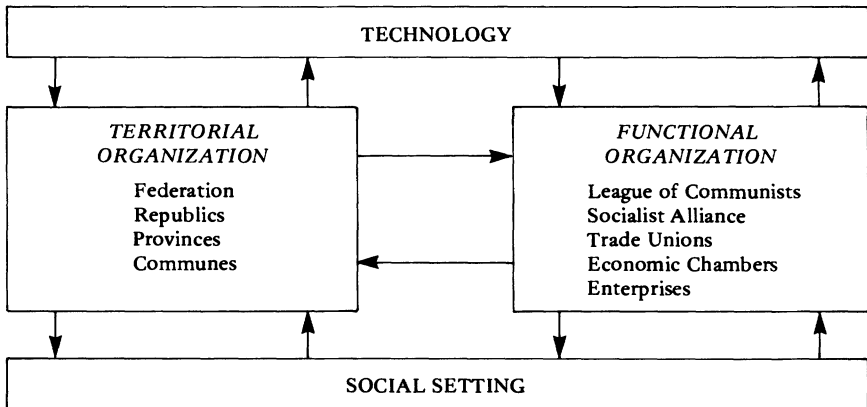
³⁶ Although it is impossible to develop these points further here, suffice it to say that research published in Yugoslav journals and studies produced by scientific institutes in Ljubljana, Zagreb, Belgrade, Skopje and Sarajevo has been informed by a full range of Marxian and non-Marxian concepts, approaches, theories and methods in political science, comparative federalism, public administration, management science, general and industrial sociology, sociology of science and law, economic development, national, regional and urban planning, and the economics of the firm. Western scientific norms and values have been received openly, but employed critically and selectively, thus avoiding or mitigating consequences of positivism in the form of Anglo-American functional analysis, operationism and behaviorism, on the one hand, and Soviet scientific socialism on the other.

³⁷ See: Riker, *Federalism*, 10-11; Fesler, "Approaches to the Study of Decentralization," 558-560; and Vasovic, "Character and Functions of the Federation in a Self-Managing Society," 98-99. Djordjevic is quoted as offering the following definition of federalism: "The association and cooperation of otherwise independent or autonomous subjects and individualities with a view to achieving common aims." (99).

render the system dynamic, particularly prone to conflicts and, most important, a special case among existing federal systems. Analyzing the Yugoslav system (as most systems) requires a complex-adaptive systems approach which allows for the possibility of self-generated non-linear change.

Communal federalism, informed by perspectives drawn from organization theory, may be conceptualized in terms of interrelated complexes of organizations which influence and are shaped by technology and the social setting.³⁸ The organizations under consideration are of two basic types: territorial organizations, including the commune, republic, province and federation, concerned with various decision areas from national defense to urban development and education; and functional organizations such as the League of Communists, the Socialist Alliance, the Syndicates, and the Economic Chambers, each of which also engages in territorial activities on the four planes. Functional organizations are involved in a variety of decision areas, from planning to income policies and education.³⁹ Territorial and functional organizations interact with each other at various levels, and are open to social and technological influences.

Figure 1. Communal Federalism as an Organizational System



³⁸ See: Udy, *op. cit.*; and J. D. Thompson, *Organizations in Action* (New York: McGraw-Hill, 1967).

³⁹ Functional organizations thus include groups of specialists (Economic Chambers) as well as political interest groups concerned with specific functions (League of Communists, Syndicates, etc.). See Fesler, *op. cit.*, 558; and Fesler, *Area and Administration* (University, Alabama: Alabama University Press, 1949).

Territorial and functional organizations are characterized by variations in internal structures and processes in the form of relative centralization and hierarchy, patterns of group interaction and communication, and attitudes and values of members. Organizations of both types interact with each other in a social setting and constitute an organizational system characterized by multiple influences and patterns of relative salience expressed in "vertical" and "horizontal" interactions. Communal federalism may therefore be viewed as an open organizational system.

In the remainder of this section we shall suggest propositions which express several types of relationships in communal federalism as an organizational system. Here we are interested in the scope of involvement in decisions and policies and their outcomes for society as a whole, expressed in "horizontal" and "vertical" interactions among functional and territorial organizations. The scope of involvement in policies, and their outcomes, are shaped by: (1) constitutional doctrines and legal norms, as well as core values of society expressed in the political theory of self-managing socialism; (2) political and social structures and the influences exerted by the League of Communists, the Socialist Alliance, and the Syndicates; (3) beliefs, values and attitudes embodied in political-cultural patterns; (4) economic structure and processes, investment patterns, growth rates and distribution of income and wages; and (5) administrative structures and processes, including the character of planning and regulatory processes in both territorial and functional organizations at federal, regional and local levels.

1. *Effective decentralization involves local control of decision-making in territorial and functional organizations and the expressions of decentralization in core values, doctrines, and legal norms.*
2. *Decentralization is closely associated with a highly differentiated political culture and relative equality between various social strata along dimensions of power, wealth and prestige. Yugoslavia and other socialist systems are based on revolutionary values which often conflict with processes of modernization, social differentiation, and specialization in complex organizations. Nonetheless, it is an error to treat the Yugoslav system in "secular" and ostensibly "context-free" terms which overlook or neglect the role and impact of core values of social-*

ist theory.⁴⁰ Core values of Yugoslav leadership, expressed in successive Constitutions (1946, 1953, 1963, 1974), in Party Programs from the Sixth through Ninth Congresses, and in public statements and writings of leaders, are clear and largely unequivocal in their expression of such core values as: decentralization, citizen and worker control, voluntary regulation of political, social and economic relationships, an independent role for republics and communes, and the principle of market regulation of economic processes. The failure to include these expressed core values makes it difficult or impossible to explain the genesis and origins of self-managing socialism, since neither the break of relations with the USSR in 1948 nor criteria of economic rationality constitute necessary and sufficient conditions for explaining the successive dismantling of federal planning and party organizations since 1950-1952.⁴¹ In the recent period of ideological mobilization in Yugoslavia the reimposition of party influence in territorial and functional organizations could not be predicted simply on the basis of structural analysis or survey research data. Core values are facilitated or constrained by structural and cultural factors, but are nonetheless one of the salient dimensions of communal federalism and self-managing socialism.⁴²

Yugoslavia is one of the few socialist systems to have undergone an authentic social revolution, a fact which continues to exert a formidable influence on processes of decentralization in Yugoslav society.⁴³ During the War of Liberation major holders of power were either eliminated, or left the country. Pre-war social structure reflected a relative absence of elites or other crystallized social strata, particularly intellectuals. This has been cited as a major explanation for the relative success of introducing decentralization and workers' control, in comparison with Poland and other East European coun-

⁴⁰ These problems are characteristic of several recent studies, including: ISVIP (1970); Bertsch and Zaninovich (1971); Bertsch (1972); and Zaninovich (1970). Barton, Denitch and Kadushin (1973) avoid essentially context-free interpretations, as do authors in Djinic's collection (1968).

⁴¹ See: Milenkovitch (1971), Ch. 4; and Carmelo Mesa-Lago's review of her book in *Economic Development and Cultural Change*, Vol. 21, No. 2 (January, 1973), 365-370.

⁴² Elsewhere an attempt has been made to analyze the reciprocal impact of ideology and organizational change in Yugoslavia. See Dunn (1972).

⁴³ See Neal and Hoffman (1962); Bogdan Denitch, "Violence in Yugoslav Society," paper presented to the Annual Meeting of the American Association for the Advancement of Slavic Studies, Dallas, Texas, March, 1972; and Bertsch and Zaninovich (1971).

tries.⁴⁴ An egalitarian social structure and set of values—combined with strong traditions of local control in areas occupied under the Turkish empire, and governed later by National Liberation Councils (N.O.O.)—facilitated the transition to decentralized local control and citizen participation.⁴⁵

Egalitarianism is reflected in the structure of recruitment into organizations in the immediate post-war period. Partisans vastly outnumbered Communist Party members because of the decimation of the latter during the war. Membership in enterprises and local communal bodies continued to be comprised predominantly of former Partisans and party members well into the 1960s. In Slovenia, the most industrially developed republic, negative relationships were found between the level of skills and education of managers, and the qualifications of subordinates. Lack of education among management personnel was positively correlated with the presence of advanced skills and education among technical staff and workers.⁴⁶ In the 1966 reelection (*reizbornost*) campaigns, designed to upgrade qualifications of directors through the election of new recruits, over 80% of directors retained their jobs.⁴⁷ Reports of research on social networks in Slovenian communes and economic enterprises also suggest segmented and insular social relationships between party members and workers.⁴⁸ The persistence of Partisan and Communist Party affiliation as a basis for retaining positions—which is itself a consequence of an egalitarian social revolution some twenty-five years ago—promotes conflicts between leading personnel and upwardly mobile groups with increasing expectations and educational qualifications.⁴⁹

A major factor governing the successful institutionalization of self-managing socialism and communal federalism was, therefore, a combination of extensive local control based on widely shared

⁴⁴ Solomon J. Rawin, "Social Values and the Managerial Structure: The Case of Yugoslavia and Poland," *Journal of Comparative Administration* (August, 1970), 131-159.

⁴⁵ See Bogdan Denitch, "Notes on the Relevance of Yugoslav Self-Management," *Participation and Self-Management*, Vol. VI (1974).

⁴⁶ Veljko Rus, "Klikovi n Radnim Organizacijama," *Gledišta*, (August-September, 1966), 1079-1097.

⁴⁷ See: J. Brekić, "Analysis of Managers' Reelection Results," in D. Gorupčić and J. Brekić (eds.) *Funkcija Direktora u Samoupravnom Odnosima* (Zagreb: Informator, 1967), 317-340; cited by Rawin, *op. cit.* 148-149. Ichak Adizes, *Industrial Democracy: Yugoslav Style* (New York: Free Press, 1972), reports similar results for reelection campaigns.

⁴⁸ Drago Tović, "Walls Between People," *Vjesnik u Srijedu* (October 27, 1971), 23-26.

⁴⁹ See Bogdan Denitch's comments in "Social Structure: Strengths and Stresses," in G. M. Raymond (Ed.) *Yugoslavia's Social, Economic and Urban Planning Policies* (New York: Pratt Institute, 1972), 32-35.

perceptions of the legitimacy of the system, and the absence of rigid social strata which could frustrate or block efforts towards decentralization and local participation. Moreover, the equality of Yugoslavia's various ethnic groups has been expressed in the composition of membership in the League of Communists, the Socialist Alliance, the Syndicates, and other functional organizations based on principles of proportionality.⁵⁰ Only in federal administrative bodies has a disproportionality between nationalities been evident, with Serbs represented in approximately 60% of positions.⁵¹ Disproportionate composition, the occasion for conflicts between republic leaders, may nevertheless be accounted for by the involuted patterns of urban migration to regional capitals, and the fact that Belgrade is the capital both of the federation and the Republic of Serbia. Principles of proportionality represent a response from national leaders to strong demands for local control and equitable influence over policies which affect relations among regional and local governments.

Survey research conducted in the late 1960s also suggests the persistence of values of local control and an overall pattern of differentiation of political culture. Substantial interregional and intraregional variations along dimensions of equality, decentralization, economic development, and competition have been identified in several major research efforts.⁵² Research on the effects of social mobilization and social communication on value orientations also indicates that the most highly developed republic, Slovenia, manifests patterns of ethnic particularism as salient as those found in less developed Macedonia. This finding is consistent with conclusions reached elsewhere that the faster the pace of economic and social development, and the greater the rate of institutionalization of formal organizations, the greater the tendency toward particularism and communal solidarity.⁵³

Political culture differences are also sharpened by variations in economic growth rates, per capita incomes and wage differentials

⁵⁰ See Paul Shoup, *Communism and the National Question in Yugoslavia* (New York: Columbia University Press, 1968).

⁵¹ See Trajko Trajkovski, "Representation of the Republics and Autonomous Regions in the Federation," *Socijalizam*, No. 10 (October, 1970), 1217-1235.

⁵² ISVIP (1971); Bertsch and Zaninovich (1971); Bertsch (1972); Zaninovich (1970); Djinić (1968); and Barton, Denitch and Kadushin (1973).

⁵³ See Arthur Stinchcombe, "Social Structure and Organizations," in J. G. March (ed.) *Handbook of Organizations* (Chicago: Rand-McNally, 1965).

between republics and between communes.⁵⁴ Following the economic reforms of 1965 and the more pervasive influence of the market, there was a brief period in which wage differentials between regions, industries, and skill-levels grew. The post-1968 period, however, indicates a compression of wage differentials as well as more equitable shares of less developed republics in national income.⁵⁵ Inter-republic and inter-industry wage differentials are on the order of 2.6:1, although per capita incomes in Slovenia remain approximately six times higher than those in Kosmet. Income, literacy, employment and other indicators also vary greatly between communes.⁵⁶ Per capita income differences between communes are sometimes on the order of 25:1.⁵⁷ Economic and social differences, together with sharply differentiated patterns of citizen participation and political influence in local communal bodies, make generalizations about the overall influence exerted by territorial and functional organizations problematic.⁵⁸

3. *The greater the salience of ethnic identification among constituent units, the greater the tendency toward politicization of national decision-issues involving territorial and functional organizations at all levels and in all spheres of activity.*
4. *Given a constant level of commitment to core values of egalitarianism, decentralization and participation, the greater the tendency toward politicization of decision issues along ethnic-territorial lines, the greater the tendency toward: (a) employment of informal bargaining and functional integration as modes for reaching agreement and resolving conflict; and (b) pressures from functional organizations to shift the locus of decision-making from republic to local territorial organizations.*

⁵⁴ See: Howard Wachtel, *Workers' Management and Wage Differentials in Yugoslavia* (Ithaca: Cornell University Press, 1973).

⁵⁵ See: Paul Shoup, "Economic Dimensions of the National Dispute In Yugoslavia," paper presented to the Annual Meeting, AAASS, Dallas, Texas, March, 1971; Denitch, "Notes on the Relevance of Yugoslav Self-Management," *op. cit.*, 18-19; Berislav Šefer, *Dobrotak i Primanja u Jugoslaviji* (ZIT, 1966, 1971, 1972); and Miladin Korać (ed.) *Politika Dobotka* (Beograd: Rad, 1972).

⁵⁶ See F. E. Ian Hamilton, *Yugoslavia: Patterns of Economic Activity* (London: Praeger, 1968) for data on differences.

⁵⁷ Neca Jovanov, "Le rapport entre le grève comme conflit social et l'autogestion comme système social," *Participation and Self-Management*, Vol. I (1972), 62-96.

⁵⁸ See, e.g., Jerovšek's comparisons of developed and underdeveloped communes and differential rates of participation and political influence: "Structure of Influence in the Commune," *op. cit.*, 134-136. Also see: Janez Jerovšek and Henry Teune, "Development and Participation," in *Participation and Self-Management*, *op. cit.*, Vol. II (1972); and Stojan Tomić, "Urbanization and Citizen Participation," in *Participation and Self-Management*, *op. cit.*

Yugoslavia, as an ethnically stratified or culturally plural society, exhibits patterns of interaction in which all or most policy outcomes involving the distribution or redistribution of societal values are met with protest by some groups.⁵⁹ All forms of redistribution, and the protests these generate, are perceived by contending ethnic sections as involving changes in the distribution of power and advantage. This even includes economic interactions which necessarily involve some inequity in the exchange of products.⁶⁰ In the period since the 1965 Economic Reforms, conflicts between northwest republics and the federal administration have centered on contributions to the federal fund for the development of underdeveloped areas, the extension of controls over prices so as to curb inflation, federal involvement in financing the Djerdap hydroelectric project and the Belgrade-Bar Railway, the the concentration of banks and trading organizations in Belgrade.

Given strong ethnic identification among constituent units, several factors tend to result in the immediate politicization of economic policies. These factors include: rapid economic growth in a country marked by regional disparities; inflation rates approaching 20%; unemployment of 20-30%, depending on the republic in question and whether migrant labor in western Europe is included in estimates; inter-regional, inter-industry and inter-skill income differentials, themselves partially promoted by the market economy; concentration of economic power in the form of investment resources controlled by banks; and a pattern of domestic and foreign investment heavily skewed toward northwestern republics.⁶¹

Effective responses to maldistribution and inequality were foregone, although there were efforts to provide greater republic autonomy through readjustments in the proportion of foreign earnings which could be retained by Croatia and Slovenia. The Constitution of 1974 extends veto powers to republics in all matters of federal economic and social policy by establishing the principle of agreement among parties (Amendment XXV), a provision which has been used by two republics, Bosnia-Hercegovina and Montenegro. Except for the Fund for the Development of Less Developed Republics, no major redistributive mechanism is available at the federal level. Policy

⁵⁹ See Leo Despres, *Protest and Change in Plural Societies* (Montreal: McGill University, Centre for Developing Area Studies Occasional Paper, 1970).

⁶⁰ See Karl Barth, *Ethnic Boundaries* (Boston: Little, Brown, 1966), Introduction.

⁶¹ See Shoup, "Economic Dimensions of the National Dispute in Yugoslavia," 27-29; and on foreign investment see Katherine C. Lyall, "Joint Capitalist-Socialist Enterprise: A Yugoslav Experiment," in Raymond, *op. cit.*, 39-58, 49.

outputs available to federal bodies are in the nature of procedural regulatory norms, particularly those involving the protection of principles of self-management and the maintenance of freedom of access to a single united market, including controls over monopoly formation (Amendment XXIV). Active involvement in formulating and executing policies aimed at redistribution and economic integration, as well as those which promote greater consciousness of values of equality and participation, has been assumed largely by functional organizations, not territorial ones. The recent mobilization of the League of Communists, the Socialist Alliance and the Syndicates—involving rapid turnover of local government and managerial personnel and a greater involvement of workers in the determination of wages—represents a reintegrative response to the lack of control of federal organs over redistributive policies and the resolution of conflicts between republics.

Despite republic-based efforts in Macedonia to alleviate unemployment by establishing a fund to finance the creation of new jobs, and campaigns in Croatia and Serbia to raise investment capital by voluntary contributions, the focus of mobilization efforts has been the commune and local self-managed organizations. Constitutional changes have diminished the role of the federal government, increased the autonomy of republics, but also strengthened the independence and autonomy of self-managed bodies at the local level. Party organizations, it should be noted, are involved heavily both in national reintegration and in efforts to promote greater autonomy at local levels.

5. The greater the urbanization, economic development and size of territorial units at the commune level: (a) the less influence exerted by superordinate territorial organizations; (b) the greater the influence exerted by functional political organizations within communal governments; and (c) the greater the tendency for role conflict with functional political organizations.

Empirical research suggests that participation in voters' meetings in communes decreases with the degree of urbanization.⁶² Research carried out in the late 1960s on power, influence and communication in local communal bodies suggests that, while the structure of decision-making appears to be generally autocratic,⁶³ republic administrative authorities exert little influence on decisions concerning

⁶² Stojan Tomić, "Urbanization and Citizen Participation," *Participation and Self-Management*, *op. cit.*

⁶³ See: Radivoje Marinković, *Who Decides in the Commune* (1971) (SC).

municipal budgets, town planning, housing construction, educational finance, and elections of presidents of municipal assemblies and directors of economic enterprises.⁶⁴ Greater total influence exerted by various groups—as distinguished from lower levels of total influence, but unequally distributed—has also been associated with the level of development of communes and their overall effectiveness.⁶⁵ Role conflict between local communal bodies and economic enterprises is also present in the form of commune demands for greater local taxes and concentration of economic activities in local areas, both of which are resisted by enterprises as well as political organizations committed to economic integration across localities and regions. Pusic suggests that the commune as a political-territorial unit “remains a part of the traditional system of government based on the systematic wielding of political power over people, and, therefore, intrinsically in opposition to a society-wide system of self-management.”⁶⁶

Two major objectives of public policy, expressed in the Constitution of 1974 and in numerous policy statements of key leaders, are economic integration and the protection of a unified market. The largest number of mergers or fusions in the period 1965-1968 took place within the same commune (75%) or adjacent communes (10.8%). Only 36 mergers (1.7%) occurred between firms from different republics, while the remainder were among non-adjacent enterprises within the same republic (12.8%).⁶⁷ Until 1970 communal governments tended to display an overall pattern of opposition to economic mergers, while enterprises and political bodies favored such integration.⁶⁸

6. The greater the politicization of decision-issues along ethnic-territorial lines, the greater the tendency for proportional ethnic representation in functional and territorial organizations at the national level.

⁶⁴ See Janez Jerovšek, “The Structure of Influence in the Commune,” *op. cit.*, 124-128.

⁶⁵ *Ibid.*

⁶⁶ Eugen Pusić, “Patterns of Administration: A Theory and an Exploratory Test,” American-Yugoslav Project in Regional and Urban Planning Studies, Ljubljana, September, 1967, 20; quoted in Jack C. Fisher, “Urban and Regional Planning,” in Raymond, *op. cit.*, 65 n.

⁶⁷ Najdan Pašić, “Integration Based on Self-Management and the Political System,” *Socialist Thought and Practice*, No. 39 (April-June, 1970), 16-17n.

⁶⁸ Pašić, *ibid.*, 27.

Principles of parity and proportional representation among nationalities have been applied consistently since 1946 in all major functional and territorial bodies at the national level, including the League of Communists, the Socialist Alliance, the Conference for Civic Activity of Yugoslav Women, the Council of the League of Trade Unions, the League of Youth, and the Federal Board of the League of Associations of Veterans. Principles of parity and proportionality have also been maintained among office holders appointed by the Federal Assembly and Federal Executive Council to positions in the economy, domestic and foreign policy, national defense, social services and judicial bodies. The only area in which disproportionate relationships between nationalities has been manifest is in federal administrative bodies and councils. In 1968 Serbs accounted for 49.8% of responsible officials and 59.2% of staff members in federal administrative bodies.⁶⁹ While such patterns are no doubt a result of locational factors, and not based on systematic discrimination, they are nevertheless perceived as a political issue involving the distribution of power between nationalities.

Table 1
Investment in Basic Funds According
to Source of Funds (Social Sector)

Years	Source of Funds, as Per Cent of Total						
	Total	Social-Political Sector					
		Work Organizations	Banks	Federation		Republics	Communes
			(1)	(2)			
1950	—	—	—	—	—	—	
1955	100%	44.0%	0.8%	—	37.6%	9.3%	8.3%
1960	100	37.4	1.0	5.1	32.0	7.0	17.5
1965	100	36.8	31.7	4.9	3.2	3.7	19.7
1969	100	34.8	49.4	5.0	4.3	2.3	3.6

(1) Fund for the Development of Less Developed Republics and Areas.

(2) Remaining Funds: includes Fund for Veterans' Pensions.

SOURCE: *Samoupravljanje i Društveno-Ekonomski Razvitak Jugoslavije, 1950-1970* (Beograd: Savezni Zavod za Statistiku, 1971), 153.

7. The greater the participation and involvement of groups and individuals in communal and worker-managed economic organizations at the local level, the greater the group interaction and cohesiveness, and the greater the identification with local terri-

⁶⁹ Trajko Trajkovski, "Representation of the Republics and Autonomous Regions in the Federation," *Socijalizam*, No. 10 (October, 1970), 1217-1235.

torial and functional interests. Given strong local identification, Economic Chambers and Trade Unions are relatively less salient in affecting policy outcomes than the League of Communists, which is less salient than territorial organs in the commune.

Communal bodies share a comparative advantage in influencing decisions within local territories. Communes have powers to levy taxes on enterprises and engage in the establishment of new firms. As figures in Table 1 indicate, however, the investment position of the communes is skewed not so much by other territorial organizations as by two functional organizations: highly localistic work organizations and, until 1971, highly concentrated bank funds.

Concentration of investment funds and financial power among banks has been severely curtailed since 1971, and modifications have been made in contributions to the Fund for the Development of Less Developed Republics and Areas. Tensions have also been present in republic demands for control over the Fund for Veterans' Pensions. The overall pattern of decentralization since 1950, when the federation was engaged in both production and investment planning, manifests a radical shift in financial power to economic organizations, as well as a consistently declining volume of funds available to federal and republic authorities. The position of communes with respect to work organizations is stronger than figures suggest, due to communal legal powers and to their political capabilities to influence local developments.

Research on the impact of involvement in economic and communal bodies suggests several conclusions. Self-management in industry tends to contribute to the assimilation of agricultural workers to industrial-urban roles, but also promotes values of income maximization and attachment to economic goals.⁷⁰ Patterns of individual involvement and group identification in enterprises is also greater in more developed communes.⁷¹ The overall influence of the League of Communists, the Socialist Alliance and the Trade Unions in economic enterprises and local communes has nevertheless been found to be low in most major empirical studies conducted throughout the late 1960s.⁷² A recent study suggests that Economic Cham-

⁷⁰ See: Živan Tanić, "Cognitive Apperception of Self-Management," *Participation and Self-Management*, Vol. I (1972); and Misha D. Jezernik, "Changes in the Hierarchy of Motivational Factors in Slovenian Industry," *Journal of Social Issues*, XXIV (April, 1968), 103-14.

⁷¹ Jerovšek, *loc. cit.*

⁷² See the summary by Veljko Rus in "Influence Structure in Yugoslav Enterprises," *Industrial Relations*, IX, 2 (February, 1970), 148-160.

bers at the federal, republic and communal levels—which are the major functional link between overall economic policy and the operations of individual firms and various types of producer associations—exert little direct influence on enterprises at the local level.⁷³ Economic Chambers, like other national bodies, are also governed by the principle of agreement and have proved largely immobile except as sources of information. Lastly, it should be noted that recent empirical research on decision-making in economic enterprises finds the greatest influence of party groups in two key areas: pressures for mergers and intergration with other firms; and efforts to influence a more equitable distribution of wages.⁷⁴

8. Given the tendency of federal bodies to perform an essentially liminary and procedural role, and given low levels of republic involvement in key functional areas of communal organization, the redistribution of resources and the resolution of conflicting demands has shifted to local communal bodies and to the League of Communists, the Socialist Alliance, and the Trade Unions.

An overview of major doctrines and constitutional norms, together with political, administrative, and economic indicators, suggests that local communal bodies and local functional organizations share a greater relative influence in shaping what occurs in society as a whole than republic and federal organs. Territorial influence at the local level is nevertheless subject to three major constraints. First, national interests related to the conduct of foreign affairs, national defense and the maintenance of internal security remain dominant areas of federal involvement, despite efforts to share defense and security activities with republics, communes and economic organizations as part of an overall program of popular defense. Second, republics continue to provide a focus for ethnic or national identification, which constrains federal actions, but also makes difficult the pursuit of economic integration in society as a whole. Third, the League of Communists and Trade Unions perform functions in which federal, republic and communal organizations have not been able to engage successfully. These functions include facilitating economic and social integration, encouraging and protecting the role of workers and citizens as participants in self-managed bodies, promoting the direct

⁷³ See Richard Farkas, "The Politics of Economic Decision-Making in Yugoslavia," Paper Presented to the Annual Meeting of the AAASS, Denver, Colorado, March, 1971.

⁷⁴ Josip Obradović, "Distribution of Participation in the Process of Decision Making on Problems Related to the Economic Activity of the Company," *Participation and Self-Management*, Vol. II (1972), 137-165.

involvement of workers in the determination of wages and the compression of income and wage differentials in society, and generating a commitment to core values of Yugoslav society which transcend narrow ethnic, national, regional or local identities. Functional organizations are nevertheless more than a constraint, for they represent a major vehicle for pursuing dual aims of self-managing socialism and modernization. Indeed, Yugoslavia may have a comparative advantage in exercising social responsibility shared by few other systems, capitalist and socialist alike.⁷⁵

CONCLUSIONS

Complex relationships between centralization and decentralization among territorial and functional organizations at various levels of Yugoslav society seem sufficiently specific to justify a reconceptualization which reflects Yugoslavia's special status among nominally federal systems. Conventional concepts of federalism, federal and confederal government, and federal society and culture are certainly inadequate to this task. Processes of conflict, change, and adjustment between territorial and functional organizations do not fit easily into conventional frameworks and typologies. In part this is due to the dynamics and fluidity of Yugoslav society, but also to successive changes in patterns of influence and power which do not appear to vary in the same direction. While the same generalizations may be made about most political systems, the Yugoslav case seems clearly distinguishable by virtue of periodic widespread shifts in the influence of the League of Communists as the most important functional organization in the country. Such shifts are discernable neither in the Soviet Union nor in the United States and other federal systems with relatively more pluralistic institutions. In an important sense, communal federalism, local decentralization and worker and citizen participation are primarily a creation of the League of Communists.

Processes of centralization and decentralization in Yugoslav society thus appear to be dialectical in character. The sharing of power and influence among territorial and functional bodies, while marked by a predominant trend toward decentralization in the postwar period, has often been characterized by conflicting or contradictory demands by various institutionalized interests and values in a developing socialist society. Periodic shifts toward the centralization of political leadership, typically followed by successive efforts to fur-

⁷⁵ See: Ichak Adizes and J. Fred Weston, "Comparative Models of Social Responsibility," *Academy of Management Journal*, Vol. 16, No. 1 (1973), 112-128.

ther decentralize communal government and economic decision-making, are not fully intelligible within frameworks designed to describe legal arrangements or political culture and institutions. While the reconceptualization of Yugoslav society in terms of communal federalism is an analytic convenience only—and in the absence of field research is primarily useful as a means for fruitful exploratory analysis—it does help to identify complex relationships that conventional approaches are unable to grasp. An important conceptual problem nonetheless remains. Whether the special characteristics of Yugoslav society are best captured by the concept of communal federalism, or by the political theory of decentralized socialism, is an important unresolved question. In the last analysis it may make little if any difference whatever, provided we shed the ethnocentric assumptions and ideological encumbrances of conventional theory and research on federal systems.