

Yugoslavia: Politics, Economics and Society, by Bruce McFarlane. London, Pinter Publishers, 1988, pp. 240 + xiii. Price: £25.00 (h/b), £8.95 (p/b).

This is a good textbook on Yugoslavia published in the Marxist Regimes Series covering some thirty four countries from Afghanistan to Zimbabwe. Bruce McFarlane, who is both a political scientist and an analytical economist, has produced a very informative study with some penetrating insights into the complex matrix of political, national and economic relations of Yugoslav society, arguably one of the most diverse and unusual societies in the world. The author adopts two themes: the first, which he labels 'the geo-political aspect', is 'that the sheer regional diversity of Yugoslavia and the accompanying inevitable conflicts of regional interests caused distortions in economic and political decision-making that a federation and a market economy found difficult to handle'; the second, 'the class aspect', is 'that self-management of economic units by groups of associated labour' in practice meant that particular interests, and the working class as a whole often suffered (p.210). Given the massive information found in this book, it would have been more helpful to the reader had the author stated his two themes at the beginning rather than at the end of his study.

The book has four parts. Part I, consisting of twenty pages describes the geographical setting, the historical background and modern political history. The reader is given a clear and concise account of Tito's quarrel with Stalin and the eventual jettison of Yugoslavia from 'the Soviet bloc', which forced the Yugoslav regime to look for an alternative path to socialism within the broad Marxist vision. In his summary of the Modern Political System, Bruce McFarlane gives a rather generous assessment of the performance of the regime: 'From the viewpoint of delivering a higher material living standard for a majority of citizens, the record of the Yugoslav regime since the 1950s, while erratic, remains impressive'. This assessment is based on selected indicators from 1950 to 1978-84. It is well known that since 1979 the rates of growth of real national product, industrial production, labour productivity in industry and agriculture have fallen quite sharply. In addition the balance-of-payments has been deteriorating (foreign debt is now \$21 billion or over 40 per cent of GNP), the inflation rate accelerating (now more than 200 per cent), and emigration, unemployment and regional income disparities have been growing. Clearly, the current ethical and political crisis cannot be divorced from the dismal economic record over the past decade.

Part II contains five chapters entitled: the Party, the Constitution, Government Structure, Ideological Debates in Yugoslav Marxism, and Political Dissent. Yugoslavia is not only one of the few genuinely federated countries in the world but it is also 'Balkanised'. The federal government has very limited power, except in relation to defence and custom duties. Since 1974 the country has been organised under a complex constitution which *de jure* gives workers a great deal of economic and political power, but *de facto* ensures that power is held firmly by the Party — at least this was the case until the death of Tito in 1980. The assignment of a separate chapter to the constitution is well justified. Probably no other country has changed or amended its constitution as frequently as Yugoslavia. Moreover, as McFarlane states, 'the Yugoslav constitution is a highly political and ideological document' containing as it does 'the philosophical basis of self-managing socialism as well as other parts of Titoism' (p.44).

In the chapter dealing with government structure, perhaps more space should have been devoted to the controversial role of trade unions in a system where workers are supposed to be in control or at least participate in decision-making. The discussion contained in three short paragraphs (pp. 53-54) devoted to this topic is very compressed indeed. Similarly the following chapter (7), discussing the ideological debates in Yugoslav Marxism, skims over some fundamental issues. In particular, the distinction between state and social ownership upon which the Yugoslavs themselves place much emphasis and the possible reconciliation of self-management with central planning which they seem to deny, need further exploration and analysis. (The question of ownership is raised again on p. 110 in a short paragraph). It is useful for the reader to know what is the official Marxian position on these issues and how the Yugoslav ideologues justify their use of the market as the primary co-ordinating mechanism in the light of Marx's anti-market bias. Is Yugoslav socialism with its emphasis on social ownership, 'self-management by the direct producers', anti-bureaucratic tendency, and rejection of central-planning, closer to the spirit and/or letter of Marx's writings than (say) Soviet Socialism? Perhaps, such questions are left to the special volume in the Series devoted to comparative analysis. McFarlane's volume contains some clues to these questions but the reader has to search for them.

Part III, consisting of five chapters, discusses the main features of the Yugoslav system, the economic record of the

country from 1947 to the present (3 chapters), and the Political Economy of self-management. A great deal of information is packed into these chapters (including some 26 tables and four charts). McFarlane has a way of presenting the factual data in an interesting and lively manner. The reader may be overpowered by the amount of factual information presented before him, but he is seldom bored. After surveying the economic record the author ventures his opinion as to why economic progress has declined in recent years. In his view, 'the lack of a planning mechanism that could identify new investment requirements and possibilities is a serious problem at the heart of Yugoslavia's faltering progress' (p. 145). The market system, he adds, had failed 'to carry out its 'Adam Smith' role of deepening the division of labour'. McFarlane's conclusion, with which this reviewer agrees, has important and serious implications for the Soviet and Eastern European economic reforms which are heading more and more in the direction of 'marketisation'.

In my view the chapter dealing with the Political Economy of self-management (ch. 13) is the most interesting and analytical chapter in the book. It contains a well-justified attack on Western armchair theorists of the labour-managed firm (the Ward-Vanek-Meade school) who ignore altogether the Yugoslav reality: 'It is about time textbooks caught up with the economic analysis of self-managed firms and with Yugoslav experience' (p. 163). McFarlane then proceeds to develop his own contribution which he describes as 'the theory of monopolistic firms under market socialism' (pp. 164-168) based on Kalecki's work. Although no systematic attempt is made to disentangle the systemic effects of self-management on the performance of the economy, McFarlane's conclusion that 'the managerial system cannot be directly blamed for many of the price rises and strikes of the 1980s' (p. 172) is probably correct.

Part IV consists of two very readable chapters on foreign policy and domestic politics: current issues. McFarlane traces the evolution of Yugoslavia's non-aligned foreign policy and explains how the unity of the country was maintained despite Soviet economic blockade and pressure from Western powers in the past. Occasionally he accepts uncritically the received wisdom of the western media. Thus he refers to 'the bureaucratic misbehaviour of various UN bodies (UNESCO, UNCTAD, etc); the presence of serious threats to world peace from countries other than the super powers, such as Iran, Iraq, Libya and China' (p. 186). This is followed by a puzzling

footnote: 'the failure of Iraq and Libya to pay Yugoslav construction firms for roads that they had built for these clients has caused anger in Yugoslav official circles and the wider public' (p. 224). No explanation is offered as to why Iraq and Iran failed to pay and no reference to the source of this piece of information is given for the interested reader to pursue this matter.

These minor blemishes notwithstanding, the book is much welcomed and highly recommended for understanding the current economic and ethnic unrest in Yugoslavia. Its appearance is timely.

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