

If we take our instruction from Yugoslavia's experience with this question, we may regard decentralization, not as a preventive, but rather as the first step on a slippery slope toward disintegration. By conceding the right of all republics to secede and to form their own economic policies, Tito made it impossible for his successors at the federal level to take necessary but unpopular measures toward economic or constitutional reform. (Indeed, some of his critics even accuse Tito himself of abetting Croat and Slovenian separatism.) The conference participants would perhaps agree in recommending that no federal government should permit irreversible decentralization changes to be introduced into its constitution, such as those made by Tito in the 1974 Yugoslav federal constitution.⁴

Economic Factors

Conflicts between republics and regions were also intensified by widening economic disparities. As Robert Schaeffer noted, the Tito regime had lacked hard currency to pay for imports but had mitigated these problems by exporting "guest workers" to Western Europe and importing tourists. This approach succeeded, in part also because of abundant aid from the West, which rewarded Tito's assertion of independence from the Soviet Union.⁵

Still, the country was incurring debt and after 1980 the West began to demand structural adjustments away from socialism or (as some prefer to call it) state capitalism. The economic gaps between the republics widened, with Croatia in particular benefiting from tourism and the remittances of Yugoslav guest workers in Western Europe, and Slovenia enjoying a privileged position as the industrial and technological centre of Yugoslavia, with the federation as its captive market, as it were, due to import limitations. Fights intensified over redistributive policies. People in

⁴For example, the "Notwithstanding Clause" in the Canadian constitution can be seen as a dangerous instrument in this sense, because it allows a province that has not accepted the Constitution to invoke the same Constitution in order to ban one of the official languages of Canada from public use within its provincial boundaries. That is already a degree of separation built into the system.

⁵Tito may in fact have been fighting for his life at the time. There are indications that his choice was either to clash with Stalin, liquidate Yugoslav Stalinists and sink or swim on his own — or be ousted by Stalin, and most likely be liquidated physically.

the wealthier republics resented transfer payments made (as in Canada) to the poorer ones — Kosovo, Bosnia and Herzegovina, Macedonia, and Montenegro — and the latter complained that they were not getting enough. The foreign debt crisis constrained the federal budget and increasingly reduced the federal government's ability to continue transfer payments in the 1980s. This not only aggravated the uneven development but restricted the powers of the central federal state and its usefulness to the republics. The resulting socioeconomic crisis exacerbated the country's political crisis.

One of the most conspicuous debates in the conference concerned the relative primacy of *domestic versus foreign* political and economic determinants of Yugoslavia's collapse. Michel Chossudovsky and Margarita Papandreou blamed the political and economic factors in the West far more than did the others speakers. Chossudovsky even claimed that the collapse had been deliberately engineered from the West.⁶ He said,

Despite Belgrade's political non-alignment and extensive trading relations with the US and the European Community, the Reagan administration had targeted the Yugoslav economy in a "Secret Sensitive" 1984 National Security Decision Directive (NSDD 133) entitled "United States Policy towards Yugoslavia." A censored version of this document declassified in 1990 largely conformed to a previous National Security Decision Directive (NSDD 54) on Eastern Europe issued in 1982. Its objectives included "expanded efforts to promote a 'quiet revolution' to overthrow Communist governments and parties"... while reintegrating the countries of Eastern Europe into the orbit of the World market.

Chossudovsky showed that the International Monetary Fund and World Bank imposed austerity on Belgrade and froze its allocation of transfer payments to the republics in 1990. It was this move, more than anything that was to come later, that destroyed the federal system. He explained,

"The "economic therapy" (launched in January 1990) contributed to crippling the federal-state system. State revenues which should have gone

⁶The Yugoslav speakers did not accept this theory. It also seems inconsistent with the account Warren Zimmerman gave of the U.S. state department's attitude toward Yugoslavia. Zimmerman was U.S. Ambassador to Yugoslavia from 1989-92. See his, *Origins of a Catastrophe* (New York: Times Books, 1996).