

# The Economic Policy of Transforming League of Communists of Serbia

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**Abstract:** *The aim of the article is to explain the role of economic strategy of the Serbian communists in the late 1980s and to find the relevance of economic issues before the elections in 1990. The Economy of the Socialist Federal Republic of Yugoslavia was in decline during 1980s and social conditions for many of the inhabitants were worsening. Socially-motivated protests were a significant part of Antibureaucratic revolution, which was supported by the leadership of the League of Communists of Serbia. After the centralisation of the Socialist Republic of Serbia, by restricting the autonomy status of Kosovo and Vojvodina, the League of Communists of Serbia focused on economic issues to avoid larger social instability, which would result further protests. It was a main part of the post-communist Socialist party of Serbia election campaign in 1990.*

**Keywords:** *Yugoslavia, Serbia, Vojvodina, Kosovo, Communism, Transition*

## Introduction

Yugoslavia attracted the interested attention of many researchers in the past, mainly because of its constitutional difficulties, which are due to the ethnic problems that multi-national Yugoslavia was facing, and the specific form of the Yugoslav economic model, so called Self-management socialism. After the Second World War,

the Yugoslav constitution was changed several times and the main motives of those changes were both aspects mentioned above. After the death of President Josip Broz Tito on the 4th of May, 1980, the country was in a very difficult situation. Tito was the main guarantor of Yugoslav unity and he was at the position of arbiter in the frequent disputes between the deputies of Yugoslav federal units. In 1974 the last constitution was approved, which granted extended powers to Yugoslav republics and autonomous provinces, and presumed the stronger coordination role for federation authorities. In a very similar situation, the only allowed political party was the League of Communists of Yugoslavia (LCY), which was federalised in 1969. While the League of Communist was in particular republics, and autonomous provinces, the Yugoslav People's Army had a stronger position in the Yugoslav political system and the possibility of being quite independent from the central party organisation was given to them, the LCY was slowly becoming only a platform which coordinated the policy of all the Leagues of Communists. Thus, the federal presidency was a collective organ, which took the role of collective presidency Tito's death.

During the 1980s the differences between communists coming from different parts of Yugoslavia were growing. One of two main divisions was based on the vision of further constitutional reforms. The communists were divided between the decentralists, who wanted to continue in giving more power to the republican and autonomous province authorities, and the centralists, who were demanding to strengthen the federal authorities. The second significant division was on economic reforms. Across all the republics and autonomous provinces the view of local communists differed on the question of how to overcome the last negative trends of Yugoslav economical decline. While in more developed republics of Slovenia and Croatia, liberals were in power and communists who had seen the revision of Self-management communism as inevitable, in the less developed republics such as Bosnia and Herzegovina or Macedonia there were dominant conservative communists, who focused on ideology. Serbia during the 1980s was also facing economic decline. Together with Vojvodina, they belonged among the more developed parts of Yugoslavia, while the Serbian autonomous province Kosovo was in the worst economic situation and badly needed the investment from the richer parts of Yugoslavia. That situation caused disagreements in all three parts of the Socialist Republic of Serbia, where coordination of policy with both autonomous provinces was needed.

The aim of this paper is to explain the economic strategy of Serbian communists and to explain why they remained in power after the elections in 1990. Milosević's leadership of the League of Communists of Serbia (LCY) and its successor, the Socialist Party of Serbia (SPS), which was established in 1990, focused mainly on economic issues in order to avoid larger social motivated protests, and was trying to get maximum support from Serbian society before the elections in 1990. The economic policy of Serbian communist was opposite to federal government of Ante Marković

who mainly focused on the marketisation and liberalisation of the Yugoslav economy. This paper tries to explain the importance of economic issues and attempts to reflect its importance during transformation of the League of Communists of Serbia to the Socialist Party of Serbia before the elections in the 1990s.

## **Economic strategy in countries in transition**

Herbert Kitschelt evaluates the success of post-communist parties, which might be seen in their reaction to the forming cleavages (Kitschelt 1992: 16). In the beginning of the 1990s, most political scientists focused on the cleavage between post-communists and democratic political parties and wings, which they have seen as dominant in post-communist countries (von Beyme 2001: 138). Kitschelt sees the main axis of political competition in Eastern Europe during this period of transition as an axis where a liberal-market orientation is on the one side, and an authoritarian-nonmarket orientation on the other (Kitschelt 1992:16). Kitschelt also presumes that in more developed post-communist countries the political parties with free market libertarian orientation would prevail, while in less developed countries more political parties would prefer non-market and authoritarian ('populist') orientation (Kitschelt 1992: 20). Serbia is one of the countries with strong tendencies to generate political parties, which would try to attract part of electorate having closer to authoritarianism and non-market orientation (Kitschelt 1992: 20). Jerzy Wiatr identified four cleavages as having a significant impact on party competition in the countries in transition. They are based on: "1) division between the centre and periphery from the national point of view. 2) division based on the different economic interests, 3) division based on the view on the relations between state and church... 4) division based on the relationship to communist past" (Wiatr 2006: 187–188). Herbert Kitschelt evaluates the relationships and the positions that individuals had during the rule of the previous regime as less important. He presumes "that those individuals and groups who are confident that they will succeed in converting their assets into valuable resources in a capitalist market society will support parties with libertarian-promarket outlooks. In contrast, those groups and individuals whose resources prove inconvertible will resist the marketization of economic relations and resort to authoritarian-nonmarket politics" (Kitschelt 1992: 21). Post-communist countries inherited generous social systems from the previous regimes (Wiatr 2006: 192). And, that fact could persuade a part of the electorate to support the post-communist parties.

Particular political parties differ in which segment of society are trying to attract. Political "parties, presenting itself as a protectors of so called 'losers', had a higher tendency too support state interventionism and political parties more supported by the part of population, which gained on transformation, had a tendency to decrease

the role of state, support further privatisation and decrease the redistributing the national income” (Wiatr 2006: 193). Anna Grzymała-Busse agrees with Kitschelt that “economic growth and the stability are key priority of voters. Over three-quarter of all electorates under consideration saw the economy as the crucial issue” (Grzymała-Busse 2002: 53). She also sees the second dimension of party competition, in which all political party have to respond: “between secular, cosmopolitan, and liberal attitudes towards the separation of Church and state, national identity, and civil rights on the one hand, and more religious, particularist, and authoritarian attitudes on the other” (Grzymała-Busse 2002: 53).

Herbert Kitschelt identifies the preferences of individuals and presumes: that those individuals, who expect to be the ‘winners’ in the free market economy, would more likely support liberal/market orientated political parties, while potential ‘losers’ will prefer political parties which guarantee some kind of protection against the liberalisation of economy processes and privatisation (Kitschelt 1992: 28). Among those who loose on the economic transition, according Kitschelt, belong unskilled workers working in all economical sectors, skilled workers working in heavy industry enterprises, and “in even worse shape is the old personnel of the communist regime’s security services, such as the political police, communist quasi-military guard forces, and to a lesser extend the professional military establishment. The most vulnerable group; however are people outside the labour market on fixed incomes, such as pensioners” (Kitschelt 1992: 26). John Ishiyama also evaluates the strategy of the post-communist party in this changing environment as a more important factor than the worsening socio-economic conditions (Ishiyama 2001: 844). A significant influence on the growing support of transformed post-communist parties after first years of economic reforms to transform the socialist economy was the nostalgia syndrome (Ishiyama 2001: 852).

Dissatisfaction with the negative impacts of those reforms was seen as the main reason why, for example, the post-communist formation Democratic Left Alliance (SLD) won elections in Poland in 1993. In the Socialist Federal Republic of Yugoslavia there was a very specific situation when the inevitable reform measures were adopted by the Yugoslav communist federal government, led by Ante Marković, before the first republican parliamentary elections in all Yugoslav republics, when Leagues of Communists competed with the newly formed political parties. The reforms influenced the elections and the strategy of particular post-communist parties in all republics. Only in Serbia and Montenegro did both ruling parties decide for insisting on significant parts of the system of ‘Self-management socialism’. The dissatisfaction of voters with further reforms resulted in the victory of those parties in 1990. A significant part of population remained loyal to the regime and ruling party in Serbia and Montenegro (Goati 1998: 16). According the opinion polls made in Serbia by the Institute of Political Studies in October, 1990, “40 per cent of

respondents accepted the statement: I would be quite ready to support somebody who offered a genuine socialism” (Goati 1998: 16). Both post-communist parties the Socialist Party of Serbia and the Democratic Party of Socialist in neighbouring Montenegro won the elections in a period, “when the standard of living of citizens was constantly declining, and the economic situation was growing more and more difficult” (Goati: 1998: 16).

## Economic crisis in Yugoslavia

In 1979, Yugoslavia entered to deep economic crisis. The country’s deficit grew suddenly to 6 billion USD and the country’s total debt arose to 14 billion USD. In 1981, the country’s total debt was around 20 billion USD (Burg 1986: 174). Yugoslavia was not able to pay off its foreign debts and was in a situation where the country needed to borrow other financial sources in order to overwhelm its structural problems. A significant part of the debt was made by individual republics and autonomous provinces. In early the 1980s, the federal government had no precise data about debt made by federal units (Burg 1986: 174). It was later estimated that 65 % of all international loans were taken by Yugoslav republics and autonomous provinces, which also indicates the level of independence on the federation (Malešević 2002: 173).

The inflation rate grew in the 1980s. In 1981, the inflation rate was 21 %, 38 % in 1982, 75 % in 1983, 50 % in 1984, 70 % in 1985, and in 1986 the inflation rate was at 100 % (Tejchman et al. 2000: 631). In 1987, the inflation rate was even higher: 167 % (Dizdarević 2002: 83). The federal executive board emitted additional banknotes to cover foreign debts, but by doing so the inflation rate got even higher (Šesták et al. 2001: 577). Unemployment was also growing. During the 1970s, the remittances from Yugoslav workers working abroad declined very rapidly. “By 1981 these remittances — which had financed half the Yugoslav trade deficit since the early 1960s — provided only 25 percent of the deficit” (Woodward 1995: 49). After loosing their jobs those workers went back to Yugoslavia, where the situation was also worsening in the labour market. In the late 1980s, the unemployment rate was at around 17 % “with a further 20 per cent being classed as under-employed” (Thomas 1999: 26). The situation differed in all parts of Yugoslavia. Slovenia had full employment till 1989 (Dragović-Soso 2004: 108). The worst labour market situation was in Kosovo, where the unemployment rate reached 50 %. Higher than the Yugoslav average was the unemployment rate in Macedonia (27 %), Bosnia and Herzegovina (23 %) (Woodward 1995: 51) and ‘narrow Serbia’ (18 %) (Dragović-Soso 2004: 108). The high unemployment especially affected the younger population. In 1985, up to 60 % of the unemployed were younger than 25 years (Woodward 1995: 57).

Real incomes were also declining by more than 30 % and the situation was not improving (Burg 1986: 83).

Salaries differed throughout the whole federation. The average salary in Slovenia was above the Yugoslav average (which was around 22,800 Yugoslav dinars), at around 27 800 dinars, while in Croatia (24,700) and Vojvodina (23,400). Below the Yugoslav average were the salaries in narrow Serbia (21,500) and Bosnia and Herzegovina (21,200). The lowest salaries were in Montenegro (around 18,400), Macedonia (18,000) and Kosovo (17,900) (Sekelj 1993: xviii). The standard of living between 1979 and 1984 declined to about 34 percent (Antonić 2002: 57). The non-competitiveness of state enterprises was a very significant problem. More than 50 percent of them were at a loss. The unprofitable heavy industry enterprises were located in less developed parts of Yugoslavia, and also in Serbia. All of those parts of Yugoslavia were in very difficult situation. General dissatisfaction with the worsening socio-economic conditions resulted in the strikes, which intensified during the 1980s (Vladisavljević 2008: 112). The number of protesters joining the social motivated strikes was rising. While in 1982, 11,000 people joined such protests; in 1986, 89,000 people protested and two years later 386,000 protesters joined the strikes (Vladisavljević 2008: 112). Those strikes did not only affect the less developed parts of Yugoslavia, where the socioeconomic conditions were worse. During the 1980s, the strikes affected the more developed Yugoslav regions, where dissatisfaction was also growing.

The Yugoslav economic system was very specific and limited the position of central authorities. Susan Woodward analysed this complicated system, based on a mixed economy: "The plan was based on wide consultation of firms, localities, republics, producers' associations, and civil servants, and approved by federal parliament, not on the ministerial hierarchy of central planning" (Woodward 1995: 38). While there were four governments between 1978 and 1991, the last one, led by Ante Marković, was very active in efforts to transform the economic environment.

## Political changes in Serbia during late 1980s

There were significant changes in the Serbian communist party during 1987, when Ivan Stambolić's wing was purged by Slobodan Milošević's, who was the party chairman after 1986. His position at the party was not as strong as Ivan Stambolić's. After seizing power, Milošević did not belong among popular politicians. According to Nebojša Vladisavljević, at the beginning of 1988: "The New Year's poll of Serbia's leading weekly NIN revealed that only 5 percent of respondents referred to Milošević as someone who attracted their attention in 1987, and the LCS's September 1987 session in which the conflict between Milošević and his rivals unfolded was not even

mentioned as a memorable event in that year” (Vladislavljević 2008: 52). Milošević’s popularity significantly rose during the protests, which were later known as the Antibureaucratic Revolution, and forced the leaders Vojvodina and Montenegro to resign. As mentioned above: the Serbian economy was in decline, as in other parts of Yugoslavia. The GDP per capita fell from 5,300 USD in 1986, which Serbia reached in 1975 at 3,000 USD (Antonić 2002: 29). The heavy industry enterprises were the most affected. The percentage of people employed in this sector was 45 percent (Antonić 2003: 30). Workers were especially active during those protests.

The Kosovo Serb Activists belonged in the groups supporting Slobodan Milošević. This protest group formed mainly because of problematic relations with the Albanian majority in Kosovo. The Stambolić leadership did not want to support this group, because of problematic relations with the other republics, which would be much more affected by such support. In April of 1987, Slobodan Milošević, as a chairman of the LCS, was asked by Ivan Stambolić to meet the deputies of the League of Communists of Kosovo and to discuss the protests of the Kosovo Serb Activists (Judah 2000: 162). At the building where he met with 300 Kosovo party officials, a group of 15,000 local Serbs and Montenegrins were demonstrating and tried to get into the building. In an attempt to get into the building they clashed with police. Slobodan Milošević reacted with the words: “No one should beat you” (Ramet 2006: 343). Then he talked with the protesters for about 14 hours (Ramet 2006: 343). According to many observers, this reaction brought him publicity and popularity.

After the party purge of Stambolić’s wing, and the consolidation of power in the LCS, Milošević was ready for the confrontation with the autonomous and party leaders. The LCS was institutionally connected with the Leagues of Communists of both autonomous provinces, whose members were also members of LCS (Seroka and Smiljković 1986: 57), and could influence politics in Serbia. On the 1st of July, 1988, when Milošević was publicly announced in the weekly magazine NIN, the aim of the leadership of the Serbian communists was to reduce the autonomous status of Vojvodina and Kosovo. “He accused them of seeking to constrain Serbia to the status of a second-class republic and announced his intention to ram through constitutional changes to cut back the autonomy of the two provinces” (Sell 2002: 54). For his dispute he used the organisational support of the Socialist Alliance of Working People of Serbia (SAWP). Except for this organisation, the protests supported the other organisations and protests groups, besides the Committee for Protection of Kosovo Serbs and Montenegrins (Ramet 1992: 231) and Association for the Return of Serbs and Montenegrins Exiled from Kosovo, which “operated within the framework of the Socialist Alliance of Working People of Serbia” (Thomas 1999: 45). According to Sabrina Ramet, before the 4th of September, 1988, the Committee for Protection of Kosovo Serbs and Montenegrins organized protests, which 160,000 people joined, and by the spring of 1989 there were organized “almost one hundred protest

demonstrations, involving a cumulative total of some 5 million people, or average 50,000 participants per demonstration” (Ramet 1992: 23). According to Slobodan Antić, in the summer and autumn of 1988 there were 59 protests in narrow Serbia (Antić 2002: 93).

On the 9th of June, 1988, about 500 Kosovo Serbs Activists organized the demonstration in Novi Sad, which several thousands local Serbs joined (Ramet 2006: 350). The group Kosovo Serbs Activists was not able to overthrow the leadership of the autonomous province of Vojvodina alone, but their demonstration was joined by local inhabitants. Vojvodina belonged to the part of Yugoslavia where there was a smaller number of protests during the 1980s. But, the situation changed due to growing dissatisfaction in the second half of the 1980s. In 1987, their number increased from 22 to 65, and in 1988, their number increased to 99 (Vladisavljević 2008: 112). According to Nebojša Vladisavljević, at those protests demands from the local people dominated, and the demands of Kosovo Serb activists played a less important role (Vladisavljević 2002: 775). Jasna Dragović-Soso agrees that most of the participants in those demonstrations did not perceive the protests as nationalist (Dragović-Soso 2004: 310). Susan Woodward perceives that the majority of protesters “still favoured a liberal, Europeanist and pro-Yugoslav option” (Woodward 1995: 97). Although Robert Thomas sees Milošević’s role during those protests as nationalist, he adds: “Milošević’s emphasis on anti-bureaucratic reform caught the mood of widespread public anger at the corruption and nepotism which pervaded the party structures” (Thomas 1999: 47). Bureaucrat elites were seen as most responsible for the economic decline and worsening social conditions (Denić 2002: 70).

The demonstrations also joined local communists at the lower echelons of party structure. On the 2nd of October, there were protests in a smaller town in Vojvodina: Bačka Palanka. The chairman of the local party organisation, Michail Kertes, and Radovan Pankov, the mayor of Bačka Palanka, declared that the party and autonomy leadership should abstain (Vladisavljević 2008: 157). Then, they started to organise a march to Novi Sad on the 5th of October and found large support. “The march was well organised and numbers of people from local factories, hospitals, schools, and other institutions joined the massive rally” (Kerenji 2007: 354). On this day, 100,000 protesters were demonstrating in Novi Sad (Ramet 2006: 352). The next day, party and autonomy leadership abstained. After September, 1988, the Montenegrin party and republic leaders were also facing large demonstrations (Ramet 2006: 351). Party and republic leaders abstained on the 11th of January, 1989. People supporting Milošević were elected to the highest positions in Vojvodina and Montenegro. In Kosovo, the leadership of the Serbian Communists had a different strategy than in the autonomous province of Vojvodina.

After the demonstrations of the Kosovo Albanians, the autonomous province was under the supervision of the federation. On the 17th of November, 1988, a group

of 100,000 Kosovo Albanians demonstrated against Milošević's attempt to replace Kaqusha Jashari, the chairman of the League of Communists of Kosovo and the Kosovo party leadership (Pelikán et al. 2004: 518). The Serbian communists understood the protests as a counter-revolution. The police and Yugoslav People's Army were sent against the protesters. Kaqusha Jashari was succeeded by Rahman Morina, who was loyal to Milošević and party purges started in the Leagues of Communists of Kosovo. After gaining control of the party, autonomy authorities in Vojvodina and Kosovo adopted the parliaments of Vojvodina, and Kosovo and Serbia adopted new constitutional amendments, which centralised the Socialist Republic of Serbia.

## **The economic strategy of LCS between 1988 and 1991**

Economic factors affected the relationships between all the Yugoslav republics and autonomous provinces. Across all parts of Yugoslavia there existed different views and strategies towards dealing with the economical crisis, which affected the Socialist Federal Republic of Yugoslavia in the late 70s and early 80s. Serbian communists strongly opposed the economic strategy of Prime Minister Ante Marković, who introduced reforms leading to the marketisation and liberalisation of the Yugoslav economy (Palairt 2008: 221). Similar effort was seen in Slovenian and Croatian reforms oriented towards the communists as inevitable, while Slovenian, Croatian and Serbian political representations after the first free-elections were opposing the federal government (Lazić and Sekelj 1997: 1060). In order to strengthen the position of those republics, the leaders of the Serbian Communists decided to block the decision of the federal government to privatize the companies (Goati 1998: 23). The Serbian Communists attempted to slow down the process of privatisation and to "maintain the state control over the economy by means of legislation applying to Serbia" (Cohen 2001: 131). Despite this effort by Serbian communists, led by Milošević, who was not in favor of the market economy and preferred Yugoslav social ownership, based on federal laws, 169 companies were privatised in Serbia, until December, 1990 (Lazić and Sekelj 1997: 1062), when parliamentary elections were held in Serbia. Until August, 1991, there were 1,220 companies privatised across Serbia in total (Goati 1998: 23). To make this process more difficult, the 'Republican Law on Conditions and Procedure of Transforming Social Property into Other forms of Property' (Goati 1998: 24) was adopted. The Socialist Party of Serbia avoided the privatisation of bigger companies, while the medium-size and small companies were privatised (Lazić and Sekelj 1997: 1060), and in later years the SPS attempted to put those companies under state control again (Goati 1998: 24).

The leadership of the LCS did not obey the decisions of central authorities. While the federal government demanded strict austerity and limitation of investments in

particular companies to decrease inflation and the debts of Socialist Federal Republic of Yugoslavia, the National Bank of Serbia was providing Serbian companies with financial aid (Palairt 1997: 1094–1095). The strategy of dealing with the worsening economic crisis of Serbian communist was envisaged during 1988 by the so-called Milošević Commission. The aim was to achieve “Yugoslavia’s economic recovery on the notion of developing socialism as a wealthy society” (Cohen 2001: 130). The main vision of the Milošević Commission was based on a mixed economy between free market economy and socialist Self-management, and at the same moment to attract foreign investment and to preserve socialist protective measures (Cohen 2001: 130). But the Serbian Communists avoided the broader public discussion on their economic policy. Special consultants were sent to several companies who were expected to evaluate future possible development of those enterprises. Michael Palairt evaluates the work of those consultants as there were primarily supposed to take into account the Republic of Serbia’s interest as a whole, and not to deal with the microeconomic features (Palairt 1997: 1072). Maintaining bigger Yugoslav enterprises necessitated a greater amount of investments and subsidies. But, the subsidies Yugoslavia was providing rapidly decreased in 1984 to zero, and a substantial number of Yugoslav enterprises suffered significant losses (Palairt 2008: 223). The heavy industrial enterprises were in difficult situation. In narrow Serbia, by 1988 “mining, metallurgy, engineering and machine building, much of it unspecialised, accounted for 47 % of industrial output” (Palairt 1997: 86). According to Jože Pirjevec more than 50 % of Serbian enterprises were close to bankruptcy (Pirjevec 2000: 445). The aim of the Serbian Communists was to maintain the unprofitable enterprises at any cost (Palairt 2001: 911). The aim of the leadership of LCY was to avoid further social unrest. The social unrest and protests were seen by the LCY’s leadership as a potential danger, which could threaten the position of ruling communists.

## Elections and the role of economy

At the 11th Congress of the League of Communists of Serbia, which was held on the 15th of December, 1989, the Serbian communists decided to abolish the party’s political monopoly and to introduce a multi-party system (Vukomanović 1998: 35). Milošević decided to liberalise the political environment after changes occurred outside of Serbia in Central East Europe and other parts of Yugoslavia (Hall 1999: 238). In Serbia, there were also protests demanding the liberalisation of political life, but in comparison with other parts of Yugoslavia, the protests were weak. Newly formed political parties had difficulties to build organisation structures, attract new members and to develop communication tools with society (Slavujević 1998: 87). On the 16th and 17th of July the Socialist Party of Serbia was officially established by the

fusion of the League of Communists of Serbia and the Socialist Alliance of Working People of Serbia (SAWP) (Thomas 1999: 62). “The SAWP had always been a Communist front organisation, but this merger allowed the SPS to gain control of its very considerable, estimated to be worth \$160,000,000, material and financial assets” (Thomas 1999: 62). The leadership was fully in the hands of former LCS officials, who had a majority in the SPS’s Main Committee (Thomas 1999: 64).

Milošević’s strategy was to bring the new political party closer to political centre, and to orient it less on nationalism, while the SPS was accusing the opposition political parties of radical nationalism (Cohen 2001: 121). The failure of Self-management socialism was ‘attributed to bureaucratic deformations’ (Thomas 1999: 64) by the SPS. Milošević also did not want himself to be perceived as a political extremist (Cohen 2001: 122). His attempt was to attract all the support possible.

In September, 1990, the new Serbian constitution adopted, three months before the planned free elections (Hall 1999: 240). The election rules were adopted without broader public participation. Opposition parties were also excluded. The voters’ turnout was lower in comparison with the other Yugoslav republics. About 71.5 % of registered voters joined Serbian elections, while in neighbouring Bosnia and Herzegovina it was around 77 %, and in all of the other republics participation reached 80 % (Goati 1991: 27–28). One of the reasons was a boycott of the elections in the Republic of Serbia by Kosovo Albanians who strongly disagreed with Milošević’s policy, which resulted in abandoning the autonomous status of Kosovo. The rate in narrow Serbia and Vojvodina was 76 % (Goati 1991: 28). In two rounds of parliamentary elections held on the 9th and 26th of December, 1990, the SPS gained 45.8 % of the votes, and SPS gained 190 out of 250 seats in the parliament in the majority electoral system (Obradović 2000: 428). According to new rules, the president of Serbia was also elected. Slobodan Milošević won in the first round, getting the 65% of the votes. (Obradović 2000: 428).

## **The reasons for victory of SPS**

Vladimir Goati argues that all political parties, even most of the post-communist ones, which joined elections in 1990 across Yugoslavia were proclaiming in their political programmes political plurality and free market economy. The the post-communist parties in Serbia and Montenegro, who called to preserve socialist economy (Goati 1991: 23), were extinguished. Dragomir Pantić identifies the voters in favor of the SPS as members of the lower strata of Serbian society (Pantić 1998: 74). Serb and Montenegrin post-communists persuaded a significant part of the society that they would be able to preserve the advantages that Self-management socialism was providing. The Socialist Party of Serbia was aware of party’s possible defeat in the

elections, which could be caused due to its unsuccessful economic policy. Due to that reason, the SPS decided to take an unsecured loan of 28 billion dinars from the Yugoslav National Bank, without the knowledge of Yugoslav federal authorities and authorities of other republics. Those finances were used for paying the debts of several Serbian enterprises and for paying worker's salaries (Ramet 2002: 55), to present a short-term improvement. In the pre-election campaign, all Serbian political parties "agreed that the society was in deep economic, political and moral crisis" (Slavujević 1998: 88). But, the Serbian post-communists were trying to decrease the dissatisfaction in socio-economic conditions. Despite that the party admitted that there were some problems, it also tried to use voters' fear of change, as Lenard Cohen argues. One of the party's slogans " 'With Us, There Is No Uncertainty' appealed to worried voters, who have experienced the political turbulence and economic deterioration in Yugoslavia during the period preceding the election" (Cohen 2001: 126).

The most of the Serbian authors agree that the opposition was unable to present itself as an alternative to the ruling SPS. Zoran Slavujević sees the organisational failures of the opposition parties as well as the insufficient effects of their campaigns, which mainly focused on ideology and anti-communism (Slavujević 1998: 88). Eric Gordy criticises the opposition parties, which were unable to create a broader coalition against the SPS, which reduced their possibilities (Gordy 1999: 55). Zoran Slavujević, together with Vladimir Goati and Ognjen Pribičević, are analysing the themes of the election campaign of 1990 presented by the major political parties. There were three dominant themes which those political parties focused on. The highest attention was paid to issues connected with Serbia's national interests, then issues connected with democracy, and in the third position were economic themes. While in the case of SPO the topics related with the Serbia's national interests were dominant, the SPS focused mainly on economic issues, in the second position fell topics related with democracy, and Serbia's national interest played the least important role (Slavujević 1998: 89). Eric Gordy agrees with the importance of social factors before the elections in 1990. He analyses which strata of the population supported the SPS. According to Gordy, the SPS got strong support from older and less educated voters living in rural parts of Serbia, who were afraid of socioeconomic changes (Gordy 1999: 57). Laslo Sekelj evaluates the position of the SPS, and says: "The SPS is the dominant party among Serbs in Kosovo, in Vojvodina (even among all the ethnic minorities, with the exception of the Hungarians), in southern and eastern Serbia, among framers, pensioners, clerks, professionals, housewives, workers and managers" (Sekelj 2000: 61–62), while private entrepreneurs, the unemployed and students did not provide the SPS with larger support (Sekelj 2000: 61). There were significant differences in election results across all of Serbia. While in more developed parts of Serbia the SPS gained an average of 42.5 % of votes, in less developed parts of republic the SPS gained stronger support. In those parts of Serbia,

the SPS gained an average of 57.8 % of votes (Gordy 1999: 55). In the capital, the political preferences were very similar, while in the central part of the city, the support for SPS was lower; the suburban and rural parts were more supporting of the SPS (Gordy 1999: 54).

## Conclusion

The differences in the League of Communist of Yugoslavia dramatically rose after Tito's death, during the 1980s. The main division was obvious and the party was divided into centralists and decentralists party wings, and liberal and conservative wings. In all republics and autonomous provinces different modifications of those party wings were in power and consensus at the federal level was very problematic. Although many party officials claimed continuity of Tito's heritage, it was different on a practical level, and frequent disputes among the republic's leaders finally resulted the LCY's disintegration and break up in 1990.

All Leagues of Communists reacted in different way to the erosion of power that the communist regime was facing during the late 1980s and beginning of the 1990s. During the 1980s general dissatisfaction with the political and economic system of Yugoslavia arose among the population, caused by economic crisis and the feeling of being powerless in the Yugoslav political and economic system. While the workers' councils were supposed to play a key role in state-owned enterprises, the party members were usually in a stronger position, and elections to the Yugoslav delegate system at all levels were affected by the party's decision. Marxist theoreticians of Self-management model of socialism expected that the interaction between the enterprise management and workers' council would solve potential conflicts. Protests and workers' strikes arising during the 1980s were obvious symptoms of the failure of Self-management Socialism.

The group of Kosovo Serb activists which found the support of Slobodan Milošević in earlier years was successful in getting the support of local people in different parts of narrow Serbia, Vojvodina and Montenegro during the protests they organised. Dissatisfied local people with worsening economic conditions soon joined the protests with their own social demands. The pressure of mass protests during the Antibureaucratic Revolution resulted in the resignation of party and autonomous province leaders from Vojvodina, which was an integral part of Serbia. Simial resignations by party and republic leadership of neighbouring Montenegro followed later . Together with the party purges of Kosovo officials, Milošević had a free path to centralising the Socialist Republic of Serbia by forcing the adoption of constitutional changes in all of three parts of Serbia. From this moment, his leadership would be seen as the most responsible for any political and economic failure.

The LCS party leadership was willing to avoid further social-motivated protests, which were viewed as a significant threat of their power. That is the main reason for opposing the shock-therapy measures adopted by Ante Marković's federal government. The aim of the economic policy of the League of Communists of Serbia was to improve the economic situation in a short-term period. Serbian Communists distributed the republic's resources to finance the debts of large Serbian enterprises, especially collapsing heavy industrial enterprises, to preserve them. The economy was also a main topic of the post-communist Socialist Party of Serbia in 1990, before the elections. The SPS was looking for the support of the part of Serbian population afraid of economic changes and declared itself to be the only political force able to preserve the main advantages of the old system. Although Milošević's leadership was using partially nationalist rhetoric, the economy and social topics played a decisive role in the SPS victory in the elections in 1990, and in maintaining the party in power.

## Note

<sup>1</sup> The territory of Serbia outside its autonomous provinces Vojvodina and Kosovo.

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