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DISSOLUTION OF CZECHOSLOVAKIA AND YUGOSLAVIA**

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THE POLITICAL ECONOMY OF ETHNIC CONFLICT: THE DISSOLUTION OF CZECHOSLOVAKIA AND YUGOSLAVIA

Andrew C. Janos

Executive Summary

The decline of communism on a major part of the Eurasian landmass gave rise to a number of new intellectual challenges for practitioners of the social sciences, one of which has been the explanation of the dissolution of multinational states. Through a comparison of the recent experiences of Czechoslovakia and Yugoslavia, this paper takes up that challenge.

The first important conclusion of the study is the confirmation of the importance of ethnic differences; clearly they do matter a great deal. This fairly obvious point, however, is qualified by more probing analysis of the nature and evolution of those differences which have, after all, existed for quite some time, and which thus cannot in themselves explain the dynamics of recent political processes and conflicts. The key lesson here is that the processes of dissolution were driven by discernible differences of *interest*, and should not primarily be understood in terms of more commonly cited factors such as historical animosities and inter-ethnic intolerance.

Those differences of interest did indeed tend to cleave along ethnic lines, but were underpinned, most fundamentally, by economic disparities. These disparities were both quantitative and qualitative. The former involves very significant and enduring inequalities in productive capacity which are in turn reflected in substantial differences of income earning ability. The latter, qualitative disparities are rather more complex, but of great importance as well. They have to do with the particular profile of a regional economy and the ways in which its vulnerability to changing demands arising from insertion in continental or global markets may affect the parameters of domestic politics. Major changes at this latter level were especially obvious contributors to the recent dissolutions of both Czechoslovakia and Yugoslavia.

But differences of interest need also to be considered in terms of those between masses and elites or, still better expressed, between economic and political classes within the same ethnic community. The political classes, much like economic ones, rationally pursue their own self-interests, and should therefore be considered as another type of entrepreneur. Because their aims differ from those of the economic classes -- oriented toward the pursuit of public office, status and access to state benefits rather than of property -- so too will their actions, which may either coincide with or oppose the interests of those whom they claim to represent. A critical disruptive factor identified in this study was the competition among political classes representing different ethnic groups. That competition illustrated how, under certain circumstances, the interests of the political classes themselves may take precedence over the interests of both the economic classes and those of the community as a whole. This paradigm, then, allows us to understand how the rationality of

political class action may appear to be irrationality when viewed instead from the wider, societal perspective. Particularly in the context of major transitions -- where a public is ambiguous, apathetic, or ill-formed -- the strategy of the political classes may be one which assures their own status and material security at the expense of the larger community.

But we must, again, take a step back from the domestic framework if we are to adequately grasp the dynamics of Czechoslovak and Yugoslav state dissolution. Both states, it ought be remembered, were put together after world wars by members of victorious coalitions, and their national configurations tended to serve the interests of major powers more directly than constituent social groups. Minority grievances found few responsive ears in such situations, becoming explicit only later, as the international balance shifted. In 1989-92, much as it had fifty years before, the continental balance of power changed dramatically with the collapse of the USSR, thereby removing a major obstacle to the effective local expression of dissent. In the case of Yugoslavia — ambivalently poised between the superpowers following its “expulsion” from the Soviet Bloc — it further removed the West’s most compelling reason for continuing to work and spend in order to keep that state together.

Geopolitics, however, was only one of the significant external factors behind state dissolution. Other, more impersonal forces were at work too. Important among these were the changes, first of all, in global production processes and labor markets, which made the rich and highly-skilled less receptive to redistribution policies, exacerbating their negative perceptions of the burdens accompanying responsibilities to the (often ethnically different) poor and unskilled. In this sense, disadvantaged ethnic groups in Czechoslovakia and Yugoslavia came to be viewed with more jaundiced eyes than they had been before. Analogies between dissolution dynamics in the two countries and tensions in Italy, in the inner cities and elsewhere can and should be drawn in order to deepen our understanding of such processes.

Another significant factor at this international level have been changes in military technology. High-tech destructive capacity has been changing world politics and the ways in which national societies view defense. Territory and population are no longer crucial assets of the nation-state, while smaller states can now find refuge in a larger international regime. Thus the attractiveness of Slovakia for the Czechs, or of Serbian “protection” for Slovenes and Croats, may have diminished considerably. Again in this sense, then, patterns of regional conflict are phenomena not merely of a “post-Communist” genre, but of global relevance, to be profitably compared with political dynamics in present day Germany (“Wessies” vs. “Ossies”), Italy, Ireland or even the United States.

I. INTRODUCTION

The historic events of 1989–92 that resulted in the decline of communism on a major part of the Eurasian landmass have posed the intellectual challenge of dealing with phenomena like state dissolution, ethnic conflict, and political violence. These complex phenomena demand analyses that bridge conventional disciplinary boundaries and offer us an opportunity to merge the study of international and comparative-domestic relations into a more unified paradigm of macro-politics. This essay sets out to respond to that intellectual challenge. It does so by comparing the historical experiences of two East Central European societies—Czechoslovakia and Yugoslavia— that underwent processes of dissolution into new political entities.

This ambitious agenda requires some clarification of terms and concepts. The concept of ethnicity sometimes takes on an unduly broad sweep as a residual category in reference to solidarities other than those arising from the social division of labor. For the purposes of this essay we will use a narrower intellectual construct of social markers—above all language and religion—that are normally acquired through primary socialization. Serving as potential foci of identity and transmitters of culture, such social markers may be seen as a rather logical, or “natural,” source of social solidarity. For our purposes, then, the principal question appears to be when, and under what specific conditions, these solidarities will assume political relevance by turning into the bases for conflict.

While it is possible to juxtapose the politics of ethnicity with the politics of class conflict, the two are not mutually exclusive. Even where ethnic solidarities supersede the importance of class divisions, such divisions continue to be present in the ethnic community and may quickly reassert themselves after the tide of the ethnic movement subsides. And in the course of ongoing ethnic conflicts, class divisions will manifest themselves, if only in limited ways. In this respect, it is especially important to point to the difference between economic and political classes in a particular society. While the former derive their livelihood and status directly from processes of production and exchange, the latter do so indirectly through their ties to the state. We may also usefully distinguish between economic and political entrepreneurs. While the former take risks in order to maximize their share of markets, the latter does so in order to maximize their share of the offices, revenues and power of the state. In most cases the political class is limited by the necessity of articulating public sentiment. But where confusion reigns—where the consequences of particular outcomes are little understood on the mass level—political classes may emerge as largely autonomous and critical players.

It appears that the cases of Czechoslovakia and Yugoslavia lend themselves particularly well to the empirical elaboration of these themes, because the history of the two countries reveals the kind of balance between similarities and differences required for the elucidation of meaningful analogies. As to similarities, both of these countries were “small” in terms of territory, demography, and

political resources, which meant that throughout their existence they remained highly susceptible to external factors. Also, both were ethnically diverse states in which ethnic distinctions closely coincided with economic differences, thereby making possible—if not probable—a similar pattern of economic conflicts articulated in ethnic terms. Furthermore, in each of the two countries there was a dominant ethnic group capable of exerting its position of dominance by dictating public policy, thus becoming a lightning rod of discontent. As to differences, we may point to the potential position of the two economies in the larger continental and global markets, to the distribution of economic and political power between dominant and subordinate ethnicities, and finally—though least intensely explored in this study—to overall differences in political culture related to differences in historical heritage.

II. CZECHOSLOVAKIA

DEMOCRACY AND ETHNICITY: THE FIRST REPUBLIC

The origins of Czechoslovakia go back to 1918, when, honoring a series of wartime promises and agreements, the victorious Allied Powers encouraged the formation of a new state from a number of provinces of the former Austro-Hungarian Monarchy. Forming the western, Austrian side of the new country were the Czech lands. On the other side of the Carpathians we find the regions of Slovakia and Ruthenia, whose Slavic peoples shared their homelands with substantial non-Slavic minorities.

Ethno-linguistic divisions were not merely regional, but were also closely correlated with economic disparities. Measured by per capita regional product, the difference between the western (formerly Austrian) and the eastern (formerly Hungarian) parts of the country was roughly 2:1.¹ These disparities in per capita income coincided with a range of socioeconomic and educational-cultural differences. For example, while in the Czech lands only 39.1 percent of the population was active in agriculture in 1910, the respective figure was 72.3 percent in the eastern provinces; while 36.2 percent of employed “westerners” were active in industrial pursuits, only 15.8 percent of “easterners” were.² Furthermore, while 13.8 percent of the Czech population were professionals or white collar workers,³ these classes had virtually no counterparts among either the Slovaks or the Ruthenians, and administrative posts were monopolized by Hungarians.⁴ Given these differences, it is hardly surprising that the Czechs emerged as the politically dominant ethnic group. The country was run democratically by a five-party coalition of Czech parties. Their preponderance was sufficient to enable Czech politicians and bureaucrats to dictate the main lines of both economic and ethnic policy.

The economic policies of the republic largely reflected the interests of the industrial classes of Bohemia-Moravia. However, they were conceptualized and formulated by a group of astute Czech

technocrats. Though seemingly counterintuitive for an economy counting heavily on exports, hard budgeting strategies were a success because they attracted large amounts of capital from neighboring economies. The country's per capita income rose by 45.8 percent between 1913 and 1929, making Czech industry into one of the powerhouses of Europe.⁵ At the same time, however, the opening of the Slovak market to unhindered competition by Czech industries resulted in the "de-industrialization" of the eastern region.⁶

If export-driven economic growth was one of the major prongs of public policy, the other was the modernization of Slovakia. While these cultural policies enjoyed broad consensus for a variety of reasons, among the primary ones were traditional concerns of nation-building in an age of conventional statecraft, when both population and territory were seen as military assets. More immediately, though, they were driven by Czech bureaucratic interests and, indirectly, by the interest of the Czech educated classes in projects that provided bureaucratic employment with a *raison d'être*.⁷

The pillars of this *mission civilisatrice* were educational policies designed to create a more enlightened public and an intellectual class, especially among the Slovak population. By the late 1920s elementary education was universal in Slovakia, an impressive network of 63 Slovak language high schools had been set up, and the universities of the Hungarian state had been Slovakized. However, social mobility was another matter. Though unemployment was low, "underemployment," in terms of the candidates' aspirations, remained an important sociopolitical problem.⁸ In Slovakia itself, Slovaks continued to share both public and professional employment with Czechs. But at the level of national government, it appears that Slovaks were virtually frozen out.⁹ As late as 1938 only 1.6 percent of the employees of the central ministries were Slovaks. The situation in the army was still worse. As of January 1938, there were only 422 Slovaks among 11,820 career military officers (3.6 percent) and 830 Slovaks among 20,000 noncommissioned officers (3.9 percent).¹⁰ In parliamentary politics, of the 93 men who held ministerial portfolios during the First Republic, only 4 were Slovaks.¹¹ Whether or not these disparities in employment and advancement were due to outright ethnic discrimination, they resulted in the preponderance of the Czech educated classes. Compounded by the oft-quoted "pious paternalism" of this bureaucracy, its recruitment patterns created widespread resentment and were perhaps the single most important factor in the drift of Slovak political entrepreneurs toward national radicalism and fascism in the 1930s.

THE COMMUNIST PERIOD

In 1938, Czechoslovakia was compelled to abandon the Sudeten region to Germany and the southern border regions (and subsequently Ruthenia) to Hungary. Slovak autonomy was declared in October 1938, and independence under a Treaty of Protection (*Schutzvertrag*) with Germany in

March 1939. For the next six years the Czech lands became a part of Germany, while Slovakia remained what may be best described as a German client state.

The defeat of Germany in World War II and the incorporation of the country into the Soviet sphere of influence resulted in the partial restoration of the prewar status quo. Above all, the unity and territorial boundaries of the Czechoslovak state were restored, minus Ruthenia, which was incorporated into the Ukrainian Republic of the USSR. These changes made not only for a smaller country, but also for one with smaller regional disparities, for the country had lost its most underdeveloped corner. One should also note, however, the effect of disparities between the Czech and the Slovak wartime experience. While the former were subject to severe economic exploitation and surplus transfer to Germany, the latter was an unquestionable beneficiary of German investment and strategic thinking that brought heavy and armament industries to the region, as well as of the wartime trading advantages of an agrarian country.¹² These varied experiences, together with the statistical effects of the loss of Ruthenia, reduced economic disparities between the two regions. While in 1937 the share of Slovakia in Czechoslovak GNP was calculated at 13.5 percent of the total, by 1948 the Slovak share had increased to 19 percent.¹³

From a political point of view, Soviet ascendancy over Czechoslovakia brought about the restoration of Czech hegemony in the republic. Slovaks were now recognized as a distinct nation, but otherwise the structure of party and government, at least until 1968, remained as centralized as under the First Republic. The principal reason for this was initial Soviet mistrust of Slovaks, mainly because of their "fascist" and "collaborationist" record during the war. In contrast, the Czechs had "suffered" under German occupation and, after 1945—having expelled millions of ethnic Germans—lived in fear of German revanchism. This fear tended to push them emotionally closer to the Soviet imperial system. The Soviet assessment of the relative, if temporary, reliability of the two ethnic groups seemed to receive some validation from the results of the elections of 1946, in which 40.1 percent of the Czech vote went to the Communist Party, whereas in Slovakia the party gained only 30 percent.¹⁴

The restoration of Czech hegemony was above all evident in the ethnic composition of the Communist power elite. In 1968 Slovaks made up only 3.7 percent of the members of the central bureaucratic organs; they accounted for 3.4 percent of the department heads, 8.8 percent of the division heads, and 14 percent of the more visible deputy ministers.¹⁵ In addition, Leff notes, "The center controlled Slovak cadre policy in such a way as to nullify an independent Slovak viewpoint."¹⁶ In 1950–54 ruthless purge trials were conducted against Slovak "bourgeois nationalists," in reality local Communists with a moderately autonomist or regionalist point of view. In the realm of ethnic policies, Czech priorities prevailed. The Czech party was uncompromising and ruthlessly efficient in getting rid of the Czechs' own minority, the Germans, but temporized about removing the Slovaks' own thorn in the flesh, the Hungarians. While in 1945 Hungarians they were

proscribed and marked for expulsion. In the three years between 1945 and 1948 only 102,000 of them were forced to leave Slovak territory.¹⁷ All of this occurred under the “bourgeois” government of the Second Republic. Once the Communists came to power, these policies were first pursued in a lackadaisical manner and shortly afterward were halted altogether. It is quite possible that these shifts came on the instruction of the Soviets, who had no interest in transferring populations from one of their satellites to another. But in Slovak eyes, the “Czechs” in the government were to blame for the absence of a more aggressive policy.

On the other hand, the prewar cultural policies with their emphasis on education continued unabated, producing ever greater numbers of Slovak high school and university graduates, with Slovakia even surging ahead of the Czech lands by 1970.¹⁸ But just as significantly, and acting upon its socialist ideology, the Communist Party and its government proceeded with an aggressive policy of regional development by continuing the industrialization of Slovakia, no doubt by transferring capital from the Czech provinces. The quite significant results of this policy are evident in higher rates of Slovak growth and in the subsequent narrowing of the per capita productivity gap from 100:68 in 1948 to 100:79 in 1965.¹⁹

These political arrangements came under serious questioning during the “Prague Spring” of 1968, as well as during the general movement for reform that had preceded it. In retrospect, this reformist movement had been stimulated by two key factors. First, after twelve years of “gigantomaniacal” planning and development the Czechoslovak economy as a whole began to falter, not being able to further sustain high rates of investment without cutting back drastically on personal consumption (as other socialist countries had done a decade before). This economic crisis nurtured the seeds of social discontent. Less obviously, with the war now twenty years behind them, passions had begun to wane, and earlier Czech fears of Germany to fade. As a result, there emerged demands for a rationalized socialism with a politically more “human face,” made largely by the previously Communist Czech intelligentsia and technocracy. However, as the movement gained momentum, it also acquired new allies, above all a group of Slovak apparatchiks and intellectuals who, while adopting the language of democratic reform, embellished it with old autonomist demands for federalism and regionalized government. Public opinion polls of 1968 show that only 50 percent of Czechs, as opposed to 90 percent of Slovaks, regarded federalization as an important issue. Commensurately, Slovaks were less enthusiastic about democratic reform than the Czech public.²⁰ As subsequent events were to show, they also gave their own idiosyncratic interpretations to autonomy, which largely came to mean the freedom for Slovaks to manage their own ethnic affairs. From early on, however, similar demands by the Hungarian minority were rejected, and after 1968 the Slovak apparat would be allowed to set up its own tight ethnic regime in the eastern half of the country.

It is not within the scope of this essay to recount the events of 1968. Suffice it to say that Soviet policymakers were not oblivious to the state of public opinion, nor to these nuances in reformist designs, when they set out to pacify their unruly clients. Above all, they were aware that the tables had by now been turned: while communism had no majority support in the country, it was less intensely rejected in Slovakia than in the Czech lands.²¹ To run the country effectively, of course, they still needed a structure of power—and eventually built it upon a coalition of neo-Stalinist technocrats and Slovak regional autonomists.

While most of the policies of the next two decades were inspired, or even dictated, from Moscow, they also reflected the cold logic of power that requires rewarding loyalty in a body politic in which this commodity was scarce in the post-1968 period. Thus while the democratic reforms of 1968 were abolished without much ado and the rationalization of the economic mechanism was never set in motion, parts of the original federal design did become the law of the land. The Czech and the Slovak lands became autonomous republics under a federal government, but this design was not replicated at the level of the organization of the party. Whereas the Slovak party gained formal autonomy, no parallel arrangements were made for the Czech lands, so that in fact the Slovak party remained a subordinate unit within the larger and still centralized republican political organization. As if to compensate for this disparity, the Slovaks were made masters of their own house with respect to cultural affairs—in reality, the management of their own ethnic minority—and were given access to positions of power and visibility in the central government and party organizations. At the highest levels of government, Slovaks were now able to claim one third of ministerial appointments.²² They further received commensurate representation in the central committee and the politburo of the party, being allotted the very top post of First Secretary, in the person of the one-time “national deviationist” Gustav Husak. As to the lower levels of the federal party apparatus, no reliable data have yet emerged, but there is some evidence of Slovak mobility within the apparatus. This mobility recognized the combustive potential of the Slovak educated classes in ways that previous regimes had ignored. While the Czech contingent of the apparatus remained staunchly proletarian, trained at party schools, 85 percent of Slovak functionaries are reported to have had bona fide university degrees.²³

These changes in personnel were further reflected in public policy, above all in the new scope and dimensions of regional economic equalization policies. By current estimates, these policies involved the transfer of approximately 5 percent of the gross product of the Czech lands into Slovakia in the form of subsidies. As before, a good part of this investment was directed toward infrastructure and education, with the rest funneled into direct economic investment aimed at raising the Slovak standard of living. With regard to education and culture, per capita expenditures in Slovakia were nearly twice those in the Czech republic. Expenditures for public health were 20 percent higher than in the Czech lands, while those for research and scientific training were 35.7

percent, and those for housing construction 49.4 percent higher.²⁴ Finally, direct economic investment in the last year of Communist rule was 33 percent higher in Slovakia than the national average, up 22 points since 1958.²⁵

Most remarkably, however, for a Communist economy, all of these investments had tangible results. The educational system was turning out the same proportion of graduates, and Slovak life expectancy (66.9 years) was 98 percent of the Czech figure.²⁶ Housing conditions were vastly improved, at least in terms of quantity. Last but not least, real income in Slovakia reached near parity (96:100) with the western regions of the republic²⁷—though there is some question whether this or a somewhat lower figure should be accepted as valid.²⁸ But in either case, the results of these policies of regional income equalization were impressive, indeed unique, in the modern history of European nation-states. This degree of income transfer and regional development could most likely not have been achieved except within the larger Soviet imperial context, with Moscow throwing its decisive weight behind these policies for both economic and political reasons.

This impressive accomplishment of public policy, however, must be placed within the larger perspective of overall trends in the Czechoslovak economy. There is no question that the best years of this economy were in the post-invasion decade of the 1970s, for, while the high growth rates of the 1950s were not surpassed, growth was now more balanced, more diversified, and more beneficial to the consumer. It was mainly due to this pattern of growth that resistance to the regime was restricted to a small number of Czech intellectuals and that the industrial working class did not replicate the rebelliousness of its Polish neighbors. Moreover, the relatively high growth rates²⁹ were not the result of the influx of foreign capital. The Czechoslovak economy maintained its steady rate of growth without incurring the dollar indebtedness of its Polish and Hungarian neighbors or the increasing dependence of the GDR on capital exported from West Germany. But as happened in other Communist countries, in Czechoslovakia the economy began to decline in the late 1970s, and this decline accelerated in the 1980s.³⁰ This decline is also reflected in the index of personal consumption, though both official and revised figures clearly show that an even steeper fall in the level of consumption was avoided only by drastically cutting back on the rate of investment. That is, while crisis loomed, it was for the time being averted.

But the economic decline of the 1980s had profound political implications—not only by reversing an earlier trend of rising real incomes, but also by reversing the trend toward narrowing the income gap between Czechoslovakia and its western neighbors. Indeed the decline of the 1980s wiped out most of the *relative* gains of Czechoslovakia vis-à-vis the more advanced capitalist states. In 1926–34, Colin Clark estimated the per capita income of Czechoslovakia at \$455, or 34 percent of per capita income in the United States.³¹ In the 1970s diverse calculations of the ratio of Czech and U.S. per capita incomes ranged between 42 and 56 percent.³² By 1988, however, the ratio between Czechoslovakia and the United States had fallen back to 37.6 percent.³³ Even in the

absence of permissive travel policies, these differences penetrated public consciousness, delegitimizing the government in the popular eye while also demoralizing economic planners.

DYNAMICS OF DISSOLUTION

Still, the fall of the Communist regime cannot simply be attributed to the economic crisis. While popular dissatisfaction with the regime had long been simmering, what kept it together was the solidarity of the ruling party, its dedication to “proletarian internationalism,” and the certainty of retributive Soviet intervention in case of internal turmoil. The events of the summer of 1989, combined with Gorbachev’s equivocation on the tenets of the Brezhnev doctrine and his conversion from anti-imperialism to international cooperation, fundamentally changed the political equation. While the political elite lost its professed *raison d’être*, the public lost its fear of intervention. The sequence of events in November 1989 reflected these changes. An unprecedented spate of public demonstrations challenged the regime and, after a weak show of force, the Communist leadership caved in. The causes of these events are familiar. But what about the dissolution of the state? At first sight its dynamics appear to be puzzling. It is true that Soviet imperial power was no longer a factor. But the success of Soviet-backed policies of income and political equalization would seem to have removed the main centrifugal forces that, in the 1930s, had been the primary propellants of separatism.

There are two keys to the solution of this puzzle. One is the particular character of Slovak economic development, the other the new international context in which old structural realities acquired new economic meanings. As to the first, the policy of income transfer inspired by the Soviet leadership clearly reflected imperial interests and the structure of demand within the larger, semimilitarized imperial economy. In the words of Paul Laurent, “Slovakia’s industry has at its base labor intensive, energy demanding, and often ecologically devastating ‘heavy industry monocultures.’”³⁴ Indeed, Slovakia’s arms production represented 60 percent of the Czechoslovak total.³⁵ As a result, there emerged a system of industrial production that 1) was less competitive in the international economic marketplace about to be entered; 2) was geared toward processing semifinished goods for use in final goods produced elsewhere; 3) was more import-oriented than the Czech economy and more dependent for its exports on the former CMEA markets; 4) operated at a slightly lower level of efficiency; and 5) was more dependent on sales in the Czech lands than vice versa.³⁶ These relative frailties of the Slovak economy are revealed quite clearly by the evolution of macroeconomic indicators in the years after the fall of the Communist government. Thus whether from the point of GDP, industrial production, investments, or exports, it is evident that Slovakia was less equipped to deal with the rigors of transition than the Czech lands and that it was rapidly losing parity.³⁷

However, changes in the calculus of domestic political power were just as important as those of the external political economy in explaining the dynamics of the dissolution of the state. In 1989–90 Czechoslovakia became a democracy, a system in which numbers once again took precedence over the raw exercise of force. In this new game of numbers the Czech provinces acquired increased political weight—barely diminished by constitutional arrangements—and became a new type of actor in the political game. Elected by popular majorities in free elections and independent of external compulsion, the governments of the Czech lands could no longer be expected to transfer large parts of their national income to another part of the federation that was rhetorically asserting its special qualities and identity. Indeed, the Czech political leadership was well aware of—and eventually articulated in the heat of debate—what their average constituent only intuited at this point in the game: that its popular support would rapidly vanish if, in the midst of increasing austerity, it tolerated or advocated continued and substantial regional income distribution.

Needless to say, the eventual separation of the two republics was not foreordained but was part of a dynamic process in which the publics on both sides were relatively passive onlookers. Rhetorically, both Czechs and Slovaks remained committed to the union, though in the course of time less and less so. Significantly, while according to the testimonials of public opinion polls only 8 percent of Slovaks favored an independent state, 41 percent of them favored greater powers for republic-level governments and another 30 percent preferred loose confederation.³⁸ Moreover, in poll after poll, the Slovak public showed itself far more reluctant than the Czech to depart from a statist model. The critical elections of June 1992 reflected that reluctance, as left-of-center nationalist forces gained the upper hand in the Slovak National Council.³⁹ As to the Czech public, though it showed no strong desire to break historical ties, it was also not ready to go into the streets in their defense. In the end, the republic fell not because it had too many enemies, but because it had few truly committed friends on either side of the Carpathians.

With public mood wavering between apathy and lukewarm support, the conflict of the republics played itself out at the level of the new political classes of the two republics. The Czech elite assessed the public mood correctly and knew that at some future time it would turn against an arrangement that required Czechs to continue the previous regime of subsidies and transfer payments. For this reason the leaders' bargaining position was hard, even unbending, from the beginning of the political confrontation between regions. For one thing, they were unwilling to make basic concessions on matters of macroeconomics and insisted on a design that would test the capabilities of the "more fragile" Slovak economy.⁴⁰ The Czech side was willing at most to absorb part of Slovak unemployment by allowing progressive migration over the years as the Czech economy slowly recovered. But subsidizing the Slovak economy, by extending a *carte blanche* to failed statist experiments, would be out of the question.

The Slovak elite in turn well understood that their own public would not tolerate radical economic experiments: In one of the early polls, 89 percent expressed the view that the state should be fully responsible for the economic well-being of its citizens.⁴¹ However, much as in 1938, the Slovak political class represented not just the nation, but also itself and its special interests in the state. It was only with this particular interest in mind that Prime Minister Vladimir Meciar and his associates would have so raised the stakes in bargaining: if the Czechs were to give in to their demands, they would have their cake and eat it too. Even if the Czechs turned them down, they would still have their cake: the Slovak state providing spoils, status, and material security. In this game of politics, the Czech side called the bluff and pulled out of the partnership with a relatively generous settlement. Only the future will tell if the Slovak public won or lost by gaining independence for the second time in half a century. But the political class certainly won—or, at the least, succeeded in minimizing its own losses—not only retaining an existential base, but also gaining greater freedom of maneuver, and perhaps even the freedom to drift back toward greater authoritarianism.

III. YUGOSLAVIA

ETHNOPOLITICS AND AUTHORITARIANISM, 1918–41

Like Czechoslovakia, Yugoslavia was the product of World War I, created in 1918 mainly by uniting former territories of the Austro-Hungarian Monarchy with those of the “old” Serbian kingdom. Also like Czechoslovakia, its “midlife crisis” occurred in 1941–44, when the country fell apart as a result of invasion by Germany and its allies. Reconstituted in 1944, Yugoslavia later dissolved almost simultaneously with the Czechoslovak state.

Under whatever name, the new country was multiethnic in character. In close parallel with Czechoslovakia, these composite groups were divided between titular and nontitular nationalities. The former included the Serbs, Croats, and Slovenes; the latter, the quite substantial Albanian, German, and Hungarian minorities. Still more significantly, the geographical distribution of these ethnic groups correlated broadly with regional economic disparities. There were exceptions to this rule, of which the existence of a Serbian diaspora in Croatia-Slavonia, Bosnia, and the Kosovo region would prove to be the most portentous. Overall, however, the 3:2:1 ratio applies as we examine per capita income and productivity of the northwest (Slovenia); the geographic center (Croatia, Vojvodina, and “old” Serbia); and the peripheral southeast (Bosnia-Herzegovina, Macedonia, and Kosovo). Though our indicators of agricultural and industrial productivity may be crude,⁴² they do correlate closely with rates of education measured by illiteracy,⁴³ and all of these show Slovenia, Croatia, and Vojvodina leading, Serbia lagging considerably, and the peripheral provinces far behind

Having noted these similarities with Czechoslovakia, we now have to point to some differences between the two countries. Economically, the most important of these were their relative aggregate levels of development and the ways in which their economies were integrated into the world economy. Our best estimates are that Yugoslavia's per capita income ranged between 60 and 75 percent of Czechoslovakia's in the 1920s and 1930s.⁴⁴ While the Czech lands were major players on European export markets, Yugoslavia was almost in toto a prototypical peripheral economy. Here the potentials for market-driven redistribution and development were low and competition for scarce resources fierce.

For the political economist, however, yet another difference between our two societies will be still more important—particularly when measured by political outcomes. This difference was in the structure of power. Like Czechoslovakia, Yugoslavia had a dominant nationality, the Serbs. But their numbers never did not add up to a majority of the population, representing instead merely an ethnic plurality. Moreover, unlike the Czechs in Czechoslovakia, the Serbs at best occupied a “semiperipheral” position within the larger Yugoslav economy. Thus Serbian dominance rested neither on demographic nor on economic preponderance, but on a variety of factors that must be considered essentially political. Among them was the fact that, unlike the other provinces, Serbia had a well-established bureaucratic class. Moreover, a long history of military valor gave Serbs an aura of superiority that they did not hesitate to invoke in subsequent political skirmishes with the “richer” of the larger South Slav family.

In practical terms this Serbian ascendancy had two implications. First, it gave Serbian bureaucrats and would-be bureaucrats a claim to act as the political class of the new country, a claim more urgent and consequential than in the Czech lands because politics was not just one but the principal avenue of social mobility for the educated. Secondly, in the domain of economics, there was a policy of income transfer from the “richer” Austro-Hungarian regions to poorer Serbia, via both direct and indirect mechanisms. Regional political classes thereby remained competitors, with the issue of economic equity central to their respective appeals.

The non-Serbian regions of Yugoslavia fall into three categories in terms of their varied grievances. First, there were the underdeveloped regions (Macedonia, Kosovo, Bosnia-Herzegovina) that had no indigenous political classes and were generally not subjects of systematic income extraction. Then there was Slovenia, which, as the most prosperous region, was the most obvious candidate for income transfer, but was self-administered under local personnel. Finally, there was Croatia, a province that was the object of policies of regional income transfer, while at the same time its relatively large educated stratum was denied adequate opportunities of mobility. Logically, and predictably, it was in Croatia that we find the locus of resistance to Serbian hegemony and centralized government.

The nature of Serbian hegemony also explains the main institutional differences between interwar Czechoslovak and Yugoslav politics. In Czechoslovakia, Czech demographic preponderance, together with the resources of the Czech economy, permitted the building and maintenance of stable majorities, and hence the exercise of Czech hegemony, without abandoning the institutions of parliamentary democracy. As this was not the case in Yugoslavia, the 1920s' experiment with parliamentary democracy was transformed into a bureaucratic-technocratic dictatorship under a restored monarchy and parliamentary facade.

COMMUNISM AND ETHNIC PLURALISM, 1945–89

In 1944–45, Yugoslavia, like Czechoslovakia, was reunited under Communist auspices. Unlike Czechoslovakia, though, these auspices were immediately evident in public policy, most conspicuously in attempts to address the multinational character of the country in the spirit of Marxist principles. At first, this implied attempts to foster a common Yugoslav superidentity. But after 1958, this was gradually replaced by a kind of “multicultural” model, formulated by Edvard Kardelj under obvious Austro-Marxist influence.⁴⁵ In both models, ethnic groups were allowed to foster their own collective identity and pride by cultivating their respective languages, art, and positive contributions to human history without invoking memories of past enmities and negative images of traditional ethnic adversaries. In practical terms designed to neutralize the hegemonic sentiment of Serbs as well as the potential secessionism of the other nations—with the exception of the Germans, who were physically ejected from the new Communist state⁴⁶—this principle of socialist patriotism, or Communist Yugoslavism, was applied even-handedly for several decades with the party acting as a supraethnic arbiter. To give legal sanction to this new equality, and to the formal disestablishment of Serbian hegemony, Yugoslavia now became a federal state composed of six republics—Serbia, Croatia, Slovenia, Macedonia, Montenegro, and Bosnia-Herzegovina—together with two “autonomous republics”—the multinational Vojvodina and the largely Albanian Kosovo—within the territory of the Serbian republic. Perhaps as a further attempt to downplay any appearance of Serbian exceptionalism, autonomy was denied to the diaspora Serbs in Croatia, Bosnia-Herzegovina, and, to a lesser extent, Macedonia.

Purely formal at first, these constitutional arrangements were given real weight by economic policies, above all by policies designed to eliminate existing regional income disparities. The particular instruments of these policies developed gradually over the years.⁴⁷ These included a direct tax of 1.85 percent on the income of the socialist sector of all republics in order to create a Federal Development Fund; direct, ad hoc allocations from the federal budget; the redirection of part of the interest payments of federally owned enterprises into the less developed republics; federal loans extended to the less developed republics at preferential rates of interest; and finally, a variety of incentives to direct investment by enterprises of the developed regions in “underdeveloped”

ones.⁴⁸ Again, to underline the end of Serbian hegemony, Serbia—with its income structure closely matching the Yugoslav average—was designated as a developed region, together with the Slovene and Croat republics, as well as the autonomous region of Vojvodina. So constructed, the policies of income transfer and redistribution appeared to be a significant departure from the interwar years, during which Serbia was frequently accused of using its political predominance to extort benefits from the more prosperous regions of Croatia and Slovenia.⁴⁹

These were by no means trivial departures from the interwar design. Yet at the same time the exigencies of *Realpolitik* still dictated that the formerly hegemonic Serbian and Serbo-Montenegrin populations—also major contributors to the success of the Communist enterprise—be given preferential treatment in more subtle respects, as if to compensate them for their formal loss of national status. Whether or not this policy was consciously followed, its effects were evident in a number of ways. First, in economics, ethnic Serbs reaped significant benefits from the policies of redistribution in Montenegro and Kosovo. Second, members of the Serbian and Serbo-Montenegrin populations continued to play a disproportionate role in the federal army, the federal security police, and in federal employment. Similarly, they were overrepresented in the political and police machines of the republics of Croatia, Bosnia-Herzegovina, and, until the late 1970s, in Kosovo. The extent of this disproportion was surely lower than in the interwar years, but together with the sense of physical security the federal arrangement imparted, it proved sufficient to forge a special tie between the federation and its Serbian and Serbo-Montenegrin citizens—especially outside the territory of the old kingdom. A few figures will effectively demonstrate the magnitude of these disproportions. In the 1970s, while Serbs and Montenegrins together made up 38.9 percent of Yugoslavia's population, they made up 52.5 percent of the members of the League of Communists, 67.7 percent of the army's officer corps, and 54.5 percent of the federal apparatus.⁵⁰ In 1971, 70 percent of the security agents in the federal Ministry of Internal Affairs were Serbs and Montenegrins, with a large proportion of them hailing from the Serbian communities of Croatia and Bosnia.⁵¹ In Bosnia-Herzegovina, where 37.8 percent of the population was Serbian in 1965, Serbs made up 56.4 percent of the members of the League of Communists, while Moslems—with 39.6 percent of the population—had 26 percent of organization members, and Croats—with a 20.6 percent share of the population—11.9 percent.⁵² In the next decade these proportions began to shift toward the Moslem population, but they continued to be overrepresented in the judiciary, among public prosecutors, and in the republican secretariat for internal affairs.⁵³ Despite a similar decline in proportions, as late as 1980 ethnic Serbs, 11.8 percent of the population of the Croatian Republic, made up 24 percent of its party apparatus and half of its regular police.⁵⁴

FROM REFORM TO DISINTEGRATION

While on the surface these policies brought to Yugoslavia much needed political tranquility and ethnic peace that enabled its political order to absorb the shock of expulsion from the camp of international communism, those leading the country were undoubtedly aware that both social and ethnic peace had been imposed from above, and that the stability of the body politic remained more a function of external threat and internal repression than of popular consent. At the same time, there was a strongly felt need for institutionalizing political succession and for the decentralization of political controls in the interest of greater economic flexibility. There were steady, if gentle, pressures from the West to democratize and pluralize the regime—pressures that were sweetened by offers of a wide variety of financial incentives. Last but certainly not least, there was a widespread perception that the elan of the “old fighters” of the revolutionary tradition was gradually abating and that their sagging enthusiasm called for a new calculus within the larger equation of politics.

These factors together provided the impulse for reform that resulted in the 1968 constitution, which embraced the principle of popular participation in politics. But even with such grave restrictions on political pluralism, the new freedoms proved too dangerous, as competition soon came to threaten both the authority of the ruling League of Communists and the fragile interethnic peace, while the “Prague Spring” further revealed the dangers of experimenting with democracy. By 1974 the liberal provisions of the 1968 constitution had been replaced by a safer system of indirect elections.

To many contemporary observers, the promulgation of the constitution of 1974 represented a clear act of retrenchment toward more monolithic politics. In reality, the document signaled a significant tradeoff between democracy and pluralism. While the document clearly abandoned the former, it did provide for the latter by permitting the devolution of power to the level of the republics and autonomous regions. Unlike the Soviet-inspired federalism of Czechoslovakia, the Yugoslav reforms not only decentralized administration, but politics as well, giving broad powers to regional parties. As would soon become evident, Yugoslavia no longer was a one-party state but had instead come to be ruled by a council of eight parties jealous of their own prerogatives and furiously bargaining with each other over the formulation of federal policies.

Whatever its original intent, this reform may be taken as a convenient starting point for the process that led to the second disintegration of the Yugoslav state. Most immediately, the new system vastly enhanced the power of the elites of the small and poor regional entities, which could now engage in creative ways of forming coalitions in order to enhance their own interests. Typically, on political issues, Macedonia, Bosnia-Herzegovina, and Kosovo could ally themselves with Croatia and Slovenia to check Serbian ethnic interests and to introduce a version of affirmative action in federal employment. On economic issues they could then realign with Montenegro and Serbia to encourage more extensive redistributive policies.⁵⁵ Meanwhile, at the local level, the new

decentralized model led to a quiet restoration of ethnic politics. The voicing of “exclusivist national sentiment” and the noisy “revival of ethnic sentiment”⁵⁶ were still regarded as violations of a strict taboo. But the available record clearly shows that, after 1974, local elites in Croatia, Bosnia, and especially Kosovo widened their political base by recruiting more co-nationals into their political machines. They thereby reduced the proportion of Serbo-Montenegrins in the local parties, police, judiciary, and public employment, creating the impression that Serbs (and their Montenegrin cousins) were victims of employment discrimination and, in some cases, physical abuse. The impression was often grossly exaggerated,⁵⁷ but elements of truth were there, becoming seeds for ethnic grievance.

The effects of political decentralization were even more fateful in the realm of economics. In 1968, and for some years thereafter, the belief was nearly universal that the decentralization of decision-making would have a beneficial effect on economics by eliminating numerous inflexibilities associated with centralized planning. In reality, however, the devolution of decision-making to the republic-regional level had the very opposite results. There were, to be sure, purely economic forces at work, like the typical production profiles of underdeveloped economies and the inevitable difficulties facing local infrastructures unable to handle large volumes of investment.⁵⁸ or the inability of weaker regions to compete with the stronger ones within the same customs territory.⁵⁹ There were also weaknesses built into the structure of “market socialism,” a system in which the forces of the free market were effectively shackled by often contradictory regulations on the part of different layers of bureaucratic authority. Most frequently, however, infamous “failed investments” were undertaken because local elites used political rather than economic criteria of allocation and, in their never-ending quest for a wider political base, favored projects that would provide employment to networks of clients (ethnic or otherwise), bring themselves personal enrichment, or enhance their prestige—at the expense of economic profitability. The duplication of effort, investment in large, heavy industrial compounds, and the search for symbols thus became the rule.

There are innumerable examples of these processes⁶⁰ and an ongoing debate over the magnitude of waste involved. According to one Yugoslav economist, half of the capital provided by transfer payments to the less developed republics ended up in impractical projects; according to another, the proportion was 33 percent.⁶¹ Whatever the exact figures, the adverse macroeconomic consequences are amply evident from the macroeconomic record at both the national and regional levels. As to the first, after an initial spurt of statistically impressive growth in the 1960s and 1970s, driven by a combination of centrally enforced savings and foreign aid granted by Western powers in return for neutrality in cold war disputes,⁶² Yugoslav growth rates began to slip in the mid-1970s following an areawide trend, but then plummeted in the 1980s, far in excess of the decline in neighboring countries. Indeed, a comparison of Yugoslav and U.S. growth rates produces truly discouraging results. In 1937, Yugoslav GNP per capita was estimated at 14 percent of the U.S. figure. By the 1970s the proportion had increased to 22 percent, but by 1988 the gap had widened

again, falling back to 17 percent.⁶³ A still more somber picture is presented by comparisons between Yugoslavia and similarly developed countries in the West, such as Spain --a country only 14 points ahead of Yugoslavia in 1937 (100:86), but which widened the gap to 38 points by 1980.⁶⁴

The political impact of economic decline was aggravated by an unequal distribution of gains and losses among Yugoslavia's regions and the ethnic groups associated with them. The reality of economic inequality was clearly evident from the close correlation between regional per capita income (and product), on the one hand, and indicators of regional unemployment, indebtedness, saving rates, and labor efficiency on the other.⁶⁵ Demography had yet another way of aggravating an increasingly tense situation, by producing more and more people of different ethnic origins to compete for an ever-shrinking resource base. With the exception of Montenegro, population growth was highest in the poorer republics, and in all the underdeveloped republics the Slav-Orthodox share of the population was declining in relation to the non-Slav, non-Orthodox (Moslem) element. This was due in part to differentials in birth rate, in part to a greater tendency of Serbs and Montenegrins to migrate. In 1981, for instance, Serbs made up 36.3 percent of the population of federal Yugoslavia, but 48.8 percent of its migrants.⁶⁶ As a result of this overall trend, between 1948 and 1980 the Orthodox population of Montenegro declined from 90.7 to 68.5 percent, while the percentage of Serbs in Bosnia-Herzegovina declined from 44.3 to 32.0 percent, and in Kosovo from 23.6 to 13.2 percent.⁶⁷ The impact thereof was unmistakable: first on the local political classes, who saw their "natural" and "real" constituency slipping away; second, on the Orthodox population as a whole, which came to expect that it would lose its grip on the job market, and later on the wherewithal of physical security as well. The fact that much of the economy was state-dependent automatically gave these demographic shifts a material dimension, fusing diffuse cultural anxiety with specific worries about economic security.

While these tensions were rising in Yugoslav society, the Soviet Union suddenly withdrew from East Central Europe, creating a new international situation in which the internal forces of Yugoslav society were no longer subject to the external restraints of earlier years. There was no longer a Soviet threat to "restore order" in case of civil war, nor a burning Western desire to keep Yugoslavia united in order to prevent international conflict. Under these circumstances the centrifugal forces of ethno-politics and ethno-economics became determinant factors shaping the fate of the country. In this new international context, the "rich" republics of Slovenia and Croatia refused further contributions to the Development Fund and tried to distance themselves from the rest of the federation. They did so partly to escape the burdens of a system of regional income transfer, but also out of the conviction that as separate entities they had a better chance of being accepted into the European Union. On this matter the new, rising, post-Communist political classes had the support of the respective publics, segments of which were also animated by the prospect of the political and economic expropriation of local Serbian minorities with their semiprivileged positions in law

enforcement, administration, and certain industries. As with many other privileged communities in analogous situations, the political classes of Croatia and Slovenia used the neoliberal idiom of the free market to justify these objectives, although in Croatia the liberal idiom was soon overtaken by the classical language of the nineteenth-century nation-state, with its emphasis on cultural homogeneity and national sovereignty. Needless to say, the secessionist trend, sanctioned by plebiscites in 1991, had a ripple effect across the federation, above all by redefining the political setting for the peripheral republics, whose political classes no longer had a compelling economic reason for remaining within the federation. This was especially so since, without the counterweights of Croatia and Slovenia, Serbian hegemony over the federation would, in practical terms, be immediately reestablished—with portentous ramifications for the non-Serb populations of Macedonia, Bosnia-Herzegovina, and Kosovo. There thus followed a series of further secessionist moves: semisuccessful in the case of Macedonia (a new state under effective international tutelage), a failure as yet in Kosovo, and with the bloody consequences of which we are well aware in Bosnia-Herzegovina.

By 1986 the Yugoslavia built by Tito and his companions-in-arms was loathed by most and loved by very few. If Slovenia and Croatia had economic reasons to get out, their secessionism in turn gave similar reasons to the poor republics and their political classes—with the exception of Montenegro, a natural ally of the Serbian republic and the Vojvodina territory. But if the populations and political classes of these regions still held fast to the idea of a federation, it was no longer the federation that was created in 1974, or even in 1945, but one in which Serbian interests, republican as well as ethnic, would be better protected from potentially hostile majorities, both locally and nationally. Thus while the northwest was seceding under the flag of neoliberalism, from the very beginning of the crisis Serbia defended the federation in terms of ethnic rights and integral nationalism. The same idiom was adopted by the Serbs of eastern Slavonia and Bosnia in defense of their jobs, local government, and, ultimately, their lives and limbs. That in the end the Serbian state and diaspora Serbs would stand up and fight for the federation was an outcome as logical as the victory of national populism in Serbia, Montenegro, and among the Bosnian Serbs.

This is certainly not to say that the disintegration of the Yugoslav state, or the terrible bloodshed of the Bosnian war, were inevitable or foreordained. But they were “logical” in the sense that they reflected the dynamic of genuine social forces and were not merely the products of a clever, charismatic, and manipulative leadership. Conversely, qualities of leadership alone proved incapable of controlling the centrifugal forces at work. In fact, able and willing leaders emerged, in the persons of Ante Markovic and Milan Panic, who were ready to make heroic personal efforts to maintain the federal status quo by streamlining the Yugoslav economic system. Their designs, even in retrospect, were perfectly rational. But their effectiveness required sacrifice from each and every republic, and when the call went out, each of the republics and regions defended its separate and

conflicting interests. Slovenia feared that a sound dinar would undercut its competitiveness on foreign markets, Croatia was hostile to controls over foreign currency earnings, and the less developed regions remained protective of highly subsidized agricultural prices. In defense of these bread and butter issues, each of the major players found the appropriately inflammatory words and acts of economic sabotage that culminated in the unprecedented plunder of the central banking system. In this last ignominious act, Slovenia enriched itself by 1.9 billion dinars, Croatia by 1.7 billion, Montenegro by 2.7 billion, and Serbia—the principal culprit—by 22.7 billion dinars, an amount equal to one half of Yugoslavia's primary (M1) money supply.⁶⁸ Much of this vast sum would subsequently be used to finance the wars in eastern Slavonia and Bosnia-Herzegovina. But in each of the republics at least part of the expropriated money was used to boost public morale. From December 1989 to January 1990, nominal wages in Serbia increased by 44.5 percent, in Croatia by 14.2 percent, and in Slovenia by 23 percent—a one-time boon that raised the political stock of local elites at a critical moment, if only at the expense of hyperinflation in the rump Yugoslav state.⁶⁹

IV. CONCLUSIONS

THE POLITICAL ECONOMY OF ETHNIC CONFLICT

We can now draw a number of general conclusions about processes of state dissolution. The first and most obvious of these is that ethnic differences do matter—indeed they are among the most significant forces that may tear a political community apart. But, as Susan Woodward notes in her *Balkan Tragedy*, such differences, even if substantial, in and by themselves “do not set society on a path of war.”⁷⁰ Nor does conflict result from “historical animosities” or traditional ethnic hatreds, but from discernible differences of interest.⁷¹

Without any claim to universality or taxonomic completeness, the present study has helped to identify the specific conditions and circumstances that tend to exacerbate tensions by focusing on ethnic conflicts that arose out of the coincidence of ethnicity and economic disparities. These disparities may take two separate forms. In one, disparities are quantitative and imply inequalities in productive capacity, usually quite directly reflected in differences of income earning ability. The other source of disparity is qualitative and more complex. It has to do with the particular profile of a regional economy, which may be highly productive and developed but still vulnerable to changes in demand and, more specifically, to changes in the larger international context that may push it from a protected national or imperial market into a larger continental or global marketplace. Such changes in the international context were especially obvious in providing an impulse for the recent dissolutions of both the Czechoslovak and Yugoslav states.

To turn now to the other side of the coin: contrary to the highly popular view, both of these cases of state dissolution are best examined and understood as instances of rational calculations of

self-interest, even where the outcomes themselves suggest otherwise. Here it is useful to draw a distinction between the differing interests of masses and elites or, better expressed, between economic and political classes within the same ethnic community. In the classical terminology of East European history and in the sociology of Karl Mannheim, the political classes are described as an “intelligentsia”⁷²—endowed with the qualities of a universal class, imbued only with the higher common interests of an entire community. In reality, though, these “higher” interests are just another variant of self-interest, and the intelligentsia is best seen as just another class of entrepreneurs. The difference between them and their economic counterparts is one of aims: they seek not to become a propertied bourgeoisie, but rather a political class that owns public office, status, and access to the wide variety of further benefits offered by the state. The study of the history of our two countries provides ample evidence of how competition among political classes—Czechs and Slovaks, Serbs and Croats—may in itself be a disruptive force, and how, under certain circumstances, the interests of the political classes may take precedence over the interests of the economic classes and the “public-at-large.” By using this particular paradigm, we can better understand not only the dynamics of dissolution in both countries, but also ways in which the rationality of class action may appear as irrationality on the part of a community as a whole. In short, while political classes may, in many situations, seek to perceive and capture the mood of a larger collective and become its formulators and representatives, in situations where a public is ambiguous, apathetic, or simply ill-informed, the strategy of political classes may be to create a *fait accompli* guaranteeing their status and material security at the expense of the community.

THE POLITICS OF DISSOLUTION

Both states were well-integrated and effectively functioning political communities that for long periods of time were capable of containing latent or overt internal dissent. The understanding of integration—and especially that of small, multinational states—will therefore require us to step back from the domestic framework in order to look at larger forces looming in international politics. Both states, we shall remember, were put together after a war by members of a victorious coalition who, while undoubtedly responsive to local sentiments, were also pursuing their own interests, above all those of the political stability of the region. Within the context of these interests Slovak complaints or Croat grievances found few responsive ears and became significant political calculi only when the international balance of power began to shift. The ascendancy of Germany spelled doom to both Czechoslovakia and Yugoslavia. Conversely, the victory of the Allies over Germany resulted in the reconstruction of the two countries. Czechoslovakia became and remained part of a hierarchically organized imperial system. The Yugoslav case was somewhat more complex, for the country was “expelled” early on from the Soviet Bloc, and thereafter its international status remained somewhat ambivalent. But in time this very ambivalence became an external integrative force, for neither one

of the cold war camps was eager to see a vacuum of power open up in the middle of the European continent. If the Soviet Union issued only barely veiled threats of intervention in the case of Yugoslav civil war, the West was willing to spend billions of dollars and to absorb the potential consequence of Yugoslav unemployment by taking in millions as guest workers.

In some sense, thus, history was repeating itself in 1989–92. Just as it had fifty years before, the continental balance of power changed dramatically with the collapse of the imperial ambitions of the Soviet Union. That event removed the Damocles' sword of intervention over the unruly republics. It also removed the most compelling Western reason for working to keep the Yugoslav state together. In recent years this has given rise to tales of Western duplicity. In reality, the external politics of dissolution in the case of Yugoslavia, and still more obviously in the case of Czechoslovakia, were not a story of the West's will to destroy, but rather the lack of its will to prevent dissolution.

Geopolitics and the changing balance of power, however, represented only one external dimension of the dissolution of the East Central European states. Other, more impersonal, forces were at work too, and their common root points toward the ways in which the secular trend in technological change has had an impact on economic and political thinking in the last decade of the 20th century. This change is reshaping systems of production and labor markets by creating a demand for highly skilled workers and diminishing demand at the other end of the skill spectrum. While in an earlier epoch it was usually the overexploited poor who sought to detach themselves from the economic centers of gravity, now it is the rich and the highly skilled who are beginning to feel exploited by various political devices of income transfer. In this respect, there are close and interesting analogies to be drawn between the Czech lands, or Slovenia and Croatia, and Italian Northern League secession efforts.

Technological revolutions have also affected transformation, medicine, transport, communication and, last but not least, military technologies. High-tech destructive capacity has been changing world politics and the ways in which national societies view defense. The past century and a half was an age of armies equipped with intermediate technologies of destruction that still required mass levies, whose human attack waves could compensate for the fire power of the enemy. Territory and population were crucial assets of the nation-state. To consider once more our own two countries, in the 1920s the Czechs would look at Slovakia in these terms and see a place and population that bolstered their overall defense capability. In the Balkans, Slovenes and Croats may have been resistant to the idea of Serbian bureaucrats managing their lands but could at least take some comfort in the protective presence of the Serbian military machine. However, that way of thinking is no longer relevant today. The smaller powers of Europe increasingly find refuge in a larger international regime, while territory and demography are turning from assets into liabilities.

In sum, then, certain patterns of regional economic conflict are not just a post-Communist but a globally relevant phenomenon. For even where we deal with linguistically homogeneous societies, regional economic conflict has a way of assuming an “ethnic” character by adopting the rhetoric and stereotypes of cultural conflict. One “post-industrial” case in point is provided by homogeneous Germany turning into two nations of “Wessies” and “Ossies,” whose reciprocal perceptions and discourse are reminiscent of those among Czechs and Slovaks. No less striking is the example of Italy, where the North and South are locked in a conflict of regional interests, with each side having made abundant use of the rhetoric of secession. Studying such parallels should help us to validate some of our hypotheses and lift our conclusions about Yugoslavia and Czechoslovakia to a higher level of generality that addresses the contemporary crisis of hitherto integrated nation-states.

ENDNOTES

1. See Friedrich Fellner, “Die Verteilung des Volksvermoegens und Volkseinkommens der Lander der ungarischen heiligen Krone zwischen dem heutigen Ungarn und den Successionstaaten,” *Metron* 3, 2 (1923): 226-27.
2. See Jiri Kosta, “Die sozio-oekonomische Entwicklung der CSR: Wirtschaftliche und soziale Probleme,” in *Die demokratische-parlamentarische Struktur der Ersten Tschechoslowakischen Republik*, ed. Karl Bosl (Munich: Oldenburg, 1975), p. 10; L’Office de Statistique d’Etat, *Manuel statistique de la Republique Tchecoslovaque, 1920* (Prague, 1922), pp. 19-22.
3. *Manuel statistique, 1920*, p. 20.
4. Ladislav Lipscher, “Die Personalbesetzung der Verwaltungsbehoerden in der Slowakei unmittelbar nach der Gruendung der Tschechoslowakei,” in Bosl, ed., pp. 150-51.
5. Frederick L. Pryor, “Czechoslovak Aggregate Production in the Interwar Period,” *Review of Income and Wealth* 3, 1 (1971): 364-68.
6. Victor S. Mamatey and Radomir Luza, *History of the Czechoslovak Republic, 1918-1948* (Princeton, NJ: Princeton University Press, 1973), pp. 114-18.
7. On the Czech bureaucracy, see Helmut Slapnicka, “Der Neue Staat und die Burokratische Kontinuitaet,” in Bosl, ed., pp. 123-25.
8. *Ibid.*
9. Carol Skalnik Leff, *National Conflict in Czechoslovakia: The Making and Remaking of a State, 1918-1987* (Princeton, NJ: Princeton University Press, 1988), p. 193.
10. Oswald Kostrba-Skalicky, “Bewaffnete Ohnmacht: Die tschechoslowakische Armee, 1918-38,” in *Die Erste Tschechoslowakische Republik als multinationaler Parteistaat*, ed. Karl Bosl (Munich: Oldenburg, 1979), p. 520.
11. Leff, pp. 191-92.
12. For a general treatment of the subject, see Joerg Hoensch, “The Slovak Republic, 1939-1945,” in Mamatey and Luza, eds., pp. 271-95. Also Faltus and Prucha, pp. 325-411.
13. Karel Pulpan, *Nastin ceskych a ceskoslovenskych hospodarskych dejin, 1990* (Prague: DKU [Documents of Charles University], 1993), pp. 246, 294.
14. Radomir Luza, “Czechoslovakia between Democracy and Communism,” in Mamatey and Luza, eds., p. 404.

15. Leff, p. 224.
16. Leff, p. 225.
17. Luza, p. 424.
18. Pulpan, p. 93.
19. Pulpan, p. 246.
20. Leff, pp. 171-75.
21. This was vividly demonstrated by the fact that after 1968 as many as 42.5 percent of the Czech party apparatus were purged, but a mere 17 percent of the Slovak (See Leff, p. 261).
22. *Ibid.*, pp. 253-54.
23. *Ibid.*, p. 261.
24. Based on regional indices (Czechoslovakia = 100) in Ales Capek, "The Split of Czechoslovakia and the Specific Features of the Slovak Economy," in *Current Economics and Politics of Ex-Czechoslovakia*, ed. Jiri Krovak (New York: Nova Science, 1994), p. 56.
25. Sharon Wolchik, *Czechoslovakia in Transition: Politics, Economy and Society* (New York: Pintner, 1991), p. 187.
26. *Statisticka rocenka slovensky republiky 1994* (Bratislava: Veda, 1995), pp. 538-40.
27. Wolchik, p. 189.
28. A recent study of regional product based on purchasing power parity puts the ratio at 100:90. See *Mezinarodni hospodarska statistika 1979-1993* (Prague: Narodni informacni stredisko, 1994), table 13, and Pulpan, p. 294.
29. The average annual growth rate of GDP has recently been estimated at 2.7 percent in the 1970s. See Ivan Sujan and Milota Sujanova, "The Macro-Economic Situation in the Czech Republic," in *The Czech Republic and Economic Transition in Eastern Europe*, Jan Svejnar, ed. (San Diego, CA: Academic Press, 1995), p. 121.
30. According to Sujan and Sujanova, GDP fell -0.7 percent per year in the 1980s. *Ibid.*
31. Colin Clark, *The Conditions of Economic Progress* (London: Macmillan, 1940), p. 39.
32. Herbert Block, *The Planetary Product in 1980* (Washington, D.C.: U.S. Dept. of State, 1981), pp. 90-91; Paul Marer, *Dollar GNP's of the USSR and Eastern Europe* (Baltimore: Johns Hopkins Univ. Press, 1985), pp. 104-5.
33. Based on *Mezinarodni hospodarska statistika 1979-1993*, p. 12.
34. Paul Laurent, "Czech and Slovak Arms Sales Policy: Change and Continuity," *Arms Control* 14 (August 1993). See also Martin Butora and Zora Butorova, "Slovakia: The Identity Challenges of a Newly Born State," *Social Research* 60, 4 (Winter 1993): 718.
35. Capek, p. 56.
36. See Ales Capek and Gerald W. Suzama, "Czech and Slovak Economic Relations," *Europe-Asia Studies* 45, 2 (1993): 218, 226-27.
37. See Ivan Sujan, "The Czech and Slovak Republics: A Starting Point," in *Current Economics and Politics of Ex-Czechoslovakia*, p. 29.
38. Wolchik, p. 63.
39. Alfred Reisch, "Meciar and Slovakia," *RFE/RL Research Report*, 30 Oct. 1992, p. 13. Also Jiri Pehe, "Czechoslovakia: Toward Dissolution," *RFE/RL Research Report*, 1 Jan. 1993, p. 84.
40. *Financial Times* (London), 8 June 1993, p. 13.

41. Butora and Butorova, p. 725.
42. See Jozo Tomasevich, *Peasants, Politics and Economic Change in Yugoslavia* (Stanford, CA: Stanford University Press, 1955). For agricultural indicators, esp. 284; for industrial indicators, p. 171.
43. *Ibid.*, p. 198.
44. For estimates over the 1925-34 period, see Clark, p. 41. For calculations of 1938 figures, see Paul Bairoch, "Europe's Gross National Product, 1800-1975," *Journal of European Economic History* 5, 2 (1976): 297.
45. The classical work on this subject is Paul Shoup, *Communism and the Yugoslav National Question* (New York: Columbia University Press, 1968), esp. 202-8.
46. Shoup, pp. 102-3.
47. For these policies see the standard work of Dijana Plestina, *Regional Development in Communist Yugoslavia: Success, Failure and Consequences* (Boulder, CO: Westview Press, 1992).
48. *Ibid.*, pp. 17-56; Joseph T. Bombelles, "Federal Aid to the Less Developed Areas of Yugoslavia," *East European Politics and Society* 5, 3 (Fall 1991): 444-45.
49. Indeed, the contributions of Serbia proper remained more or less constant throughout the communist period. See Bombelles (1991), 442, 447, 453.
50. Pedro Sabrina Ramet, *Nationalism and Federalism in Yugoslavia, 1963-1983* (Bloomington, IN: Indiana University Press, 1984), p. 39.
51. Walter Connor, *The National Question in Marxist-Leninist Theory and Strategy* (Princeton, NJ: Princeton University Press, 1984), pp. 298-99.
52. Othmar N. Haberl, *Parteiorganisation und Nationale Frage in Jugoslawien* (Berlin: Harassowitz, 1976), p. 209.
53. Ramet, pp. 131-32.
54. *NIN* (Belgrade), as quoted in *Frankfurter Allgemeine Zeitung*, 24 March 1980. Also interviews with Bozidar Novak, Stipe Suvar, and Dusan Bilandzic, June-July 1995.
55. For an extensive analysis of these, see Ramet, pp. 67-103.
56. *Ibid.*, p. 59.
57. Most infamous were the charges of the Albanian rape of Serbian women in Kosovo. But the 118 rapes reported there from 1982 to 1986 were far below the rate at which this crime was reported in other regions and included only 16 committed by Albanians on Serbs, 97 committed by Albanians on Albanians, and 5 by Serbs on Serbs (*Danas*, 11 Nov. 1986; quoted in Harold Lydall, *Yugoslavia in Crisis* [Oxford: Clarendon Press, 1989], p. 204).
58. Bombelles, p. 446.
59. Ljubomir Madzer, "Ko koga eksploatise: Ekonomski položaj Srbije u Jugoslaviji," *Republika*, no. 123 (Sept. 1995): viii-x.
60. See for example Shoup, pp. 235-36; Lydall, pp. 84-86; Bombelles, pp. 459-60; Ramet, pp. 203-6.
61. *NIN*, 15 June 1986.
62. U.S. aid to Yugoslavia alone before 1958 was \$2 billion in grants and \$5 billion in preferential loans (1994 prices). In the first postwar decade Yugoslavia also received \$600 million (current prices) in war reparations, together with \$3.5 billion in foreign capital inflows (Mljadan Dinkic, *The Economics of Destruction* [Belgrade: Video Nedelnik, 1995], p. 23).
63. Paul Marer, "The Economics and Trade of Eastern Europe," in *Central and Eastern Europe: The Opening of the Curtain*, William Griffith, ed. (Boulder, CO: Westview Press, 1989), pp. 72-73.

64. Marer, p. 49.

65. See especially Lydall (1989), pp. 186, 190, 192; also Plestina, p. 180; Bombelles, p. 454.

66. Dragomir Vojnic, "Disparity and Disintegration: The Economic Dimension of Yugoslavia's Demise," in *Yugoslavia: The Former and the Future*. Payam Akhavan and Robert Howse, eds. (Washington, D.C.: Brookings Institution, 1994), p. 92.

67. *Ibid.*, p. 91.

68. Dinkic, p. 61.

69. *Ibid.*, pp. 55-56. Also Vladimir Goati, "Republican Elites and the Collapse of Yugoslavia," in *The 1990 Economic Reform: Toward a Market Economy*, Slobodan Vuketic and Dragutin Marsonic, eds. (Belgrade: Nauka, 1993).

70. Susan L. Woodward, *Balkan Tragedy: Chaos and Dissolution after the Cold War* (Washington, D.C.: Brookings Institution, 1995), p. 18.

71. *Ibid.* The same basic point is made by Ramet, pp. 24-25.

72. Karl Mannheim, *Ideology and Utopia*, 3rd ed. (New York: Harcourt, Brace and World, n.d.), pp. 11-12, 153-64, 159-60, 259.