CASE STUDY 1: YUGOSLAVIA UNDER TITO

Global context

The country of Yugoslavia is often equated with Tito as it was under his regime that the country seemed to have the most cohesion, and it survived barely a decade beyond his death. In the early stages of the Cold War he had critical interactions with both of the superpowers. Immediately after the Second World War, Yugoslavia appeared to be a loyal client state of Moscow, causing disturbances in the Adriatic and Balkans at the behest of Stalin, but the reality proved to be different. Unlike other communist countries in eastern Europe, the Yugoslavs themselves established a communist government, a distinction that the US did not comprehend. After being shunned by the communist world in 1948, Tito made amends with the western powers, leading to material improvements and relative prosperity within Yugoslavia. Internationally, he was not a western ally but instead became a leader of the Non-Aligned Movement as its foreign policy objectives appealed to him. Yugoslavia benefited from the Cold War rivalry using US-Soviet tensions to its advantage, a model that was later followed by leaders such as Nasser and Castro.

Timeline

- Axis attack and conquest of Yugoslavia
- Creation of Federal People's Republic of Yugoslavia
- Defeat of German army by Partisans
- Partisans liberate Trieste
- Creation of Free Territory of Trieste
- Truman Doctrine
- Formation of Cominform
- USA offers assistance to Yugoslavia
- 1941
- 1944
- Percentages Agreement
- 1945
- Greek Civil War
- 1946
- Yugoslavia shoots down US planes in Yugoslav airspace
- 1947
- 1948
- Yugoslavia expelled from Cominform
- Soviet-Yugoslav Split
- 1949
- 1951
- US economic and military aid to Yugoslavia
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- Crisis over Trieste: 1953
- Division of Trieste between Italy and Yugoslavia
- Bandung Conference: 1955
- Khrushchev's visit to Yugoslavia: 1961
- Formation of the Non-Aligned Movement: 1963
- First New Constitution: 1963
- Second New Constitution: 1974
- Death of Tito: 1980

Yugoslavia 1945–1990; six federal republics including the two autonomous provinces in Serbia
Yugoslavia under Tito

Conceptual understanding

Key questions

→ Why did the Cominform expel Yugoslavia in 1948?

→ How did the Cold War benefit Yugoslavia?

Key concepts

→ Change

→ Significance

Yugoslavia was created in the inter-war period after the break-up of the Habsburg Empire. When war broke out in Europe in 1939, the kingdom tried to maintain neutrality but its proximity to Albania and Greece – and Italian designs on both countries – made this impossible. In 1941, Yugoslavia was invaded by the Germans who quickly conquered the country, divided much of its territory among its allies, and created the puppet state of Croatia.

Two resistance groups were formed: the royalist and Serbian Chetniks and the communist Partisans under the leadership of Josip Broz Tito. Although they initially collaborated, the war quickly changed the situation. The Partisans had a wider appeal as they were not connected with a specific nationality and instead organized the communities they held into egalitarian units. They gained steady, widespread support and were so successful against both the Germans and Chetniks that in March 1945 they created a federal government with Tito as the Prime Minister.

Although the western allies initially supported the Chetniks, they recognized the Partisan government at the end of the war. Unlike other communist states that emerged at the time, Yugoslavia had largely liberated itself and had developed communism organically rather than having it imposed by the USSR. During the war, Tito had created a working economy, army and administrative system.

The government that was created in the immediate post-war period had elements of Soviet-style governance but also allowed for the ethnic differentiation that had created so much discord in Yugoslavia in the past. The country was divided into six socialist republics: Bosnia-Herzegovina, Croatia, Macedonia, Montenegro, Serbia and Slovenia. In addition, there were two autonomous provinces within Serbia. Kosovo and Vojvodina were granted this status due to the large number of ethnic minorities in their territories.

Universal suffrage was granted to all those aged 18 and over except for fascists and collaborators, and Constituent Assembly elections were scheduled for 11 November 1945. In the interim, all accepted non-communist parties were absorbed by a People’s Front, and only its members could campaign. Opposition newspapers were banned and it became increasingly clear that only pro-Tito, pro-communist candidates could participate in the election. The elections held were legitimate in the sense that there was no tampering with the outcome, but as only one faction was represented, it’s not surprising that the communists and Tito both won resounding victories.
Relations with the superpowers to 1948

Throughout the course of the Cold War Yugoslavia’s relationship with the superpowers was influenced first and foremost by Tito’s view of Yugoslavia’s role in the world. He was a devoted communist and loyal to the Soviet Union but he saw himself as a Soviet ally, not a puppet to be directed from Moscow. The USA mistook his communism as subservience to the Soviets and did not understand until after the Soviet-Yugoslav split that Tito’s actions were often initiated independently.

At the end of the war, the Soviets were trying to consolidate power in eastern Europe which meant they tried to mollify their allies in other areas that they saw as outside their sphere. However, Tito’s foreign policy decisions often created potential conflict for the USSR, leading in turn to tensions between the USSR and Yugoslavia. This was especially true regarding the region of Trieste, the Greek Civil War and the idea of a Balkan Federation. Therefore, Tito’s actions in those areas ultimately contributed to Yugoslavia’s break with the other communist countries.

Trieste

The first area of conflict that arose between Yugoslavia and the West was the region of the Julian March, Venezia Giulia and the city of Trieste. Trieste had been an important Habsburg port and was awarded to Italy in 1920. Although it was legally Italian, the population was mixed, with most identifying as either Italian or Slovenian, but also including Croats and Greeks. On 1 May 1945, the area was liberated by Yugoslav-led Partisans, who included Italian and Greek anti-fascists; not all were communists, but that was not recognized by the UK or USA. The Partisans ruled Trieste for 42 days and organized it along the lines of the Yugoslav state, finding support among the working classes who viewed the egalitarianism and anti-nationalistic stance appealing. Among the population, ethnicity became entwined with ideology so that people identified “Italian” with “fascist” and “Yugoslav” with “communist”.

While this was not strictly true, many who suffered under Italian fascism were drawn to the Yugoslav form, while the middle and upper classes rejected Yugoslav rule as communist. The Allies were particularly alarmed by calls for Trieste to become the seventh republic of Yugoslavia and sent troops to the region to prevent this from happening.

On 9 June 1945 the Second New Zealand division arrived at the city of Trieste and asked the Yugoslav army to stand down. Although unwilling to do so, the Yugoslavs were pressured by the Soviets and acquiesced, withdrawing behind what was called the Morgan Line, and leaving the city in the hands of the New Zealanders. Although Molotov counselled that Yugoslavia’s retention of the city would be useful, Stalin didn’t want conflict with the Allies over the region. The area proved to be one of the more contentious issues when negotiating peace with Italy.

The Allies saw three options open to them: return Trieste to Italy; give it to Yugoslavia; or establish the region as independent from both countries. It is important to note that in negotiations regarding the territory the pro-Yugoslav civilian government was not invited, even to give its opinion. What became clear was that Trieste was important economically to both Italy and Yugoslavia and if the port was awarded to either country, the other would suffer. Britain and the USA did not
want an important port to fall into the hands of the communists. However, there was also an unwillingness to reward Italy with Trieste after it had been an Axis power. In the end, it was decided to create a Free Territory under a governor approved by the UN Security Council.

The Free Territory of Trieste was established 10 February 1947 but the United Nations was having difficulties agreeing on who should govern. The region was divided into two zones: the US and British controlled Zone A (Venezia Giulia) under the Allied Military Government, and Yugoslavia had to withdraw entirely from the city. It was given its own Zone B that included Istria and part of the Julian March. The city itself was to be internationalized under UN administration and would be a free city with an Italian frontier.

This compromise made few happy, especially as in Zone A fascist laws were reinstated. Furthermore, the United Nations used the 1921 census to justify the divisions, and the Slovenes felt they had been underrepresented. Additionally, the Yugoslavs were far more popular than the USA and Britain realized, and the Allied Military Government was not as welcome as they expected. Tension remained high in the area until the 1950s.

Greek Civil War
Yet another source of conflict between the western Allies and Yugoslavia was Greece. At the end of the Second World War its resistance fell apart and turned on each other regarding domestic control; once again, on the one side were the Royalists who received assistance from the British government; on the other were the communists. Greece had three communist neighbours (Albania, Bulgaria and Yugoslavia), all of whom were assisting the Greek communists in their war against the Royalists. Stalin kept the USSR out of the war; perhaps in a nod to the Percentages Agreement, he accepted that Greece was in the western sphere of influence. In 1947, when Britain’s assistance to the Royalists was replaced by US assistance through the Truman Doctrine, Stalin was convinced that Greece was lost. Tito was vocal in his criticism of Stalin’s lack of assistance to Greek communists and refused to silence himself, and as the tensions between Stalin and Tito grew, the Greek communists refused Yugoslav assistance for fear of alienating the rest of the Cominform. This decision may well have led to their eventual defeat.

In the midst of these two conflicts, the Yugoslav air force shot down two US planes. In August 1946, on two separate occasions, US planes violated Yugoslav airspace by straying into the air above Slovenia. The USA charged Yugoslavia with acting in violation of the UN Charter, but Tito refused to accept responsibility for the action, stating that Yugoslavia was within its rights to act as it had. Although there was no crisis as a result of the event, this gave Yugoslavia a negative image in the USA and Tito’s attitude was not well received in the USSR either. Tito knew this but saw this as an opportunity to demonstrate to Stalin his willingness and ability to act independently of the Soviet Union.
The Cominform
To bring all the communist parties in Europe in line, the Cominform was created in September 1947. In addition to the pursuit of a common policy, the organization was a reaction to the development of the Marshall Plan. The Cominform was composed of the communist parties of Bulgaria, Czechoslovakia, France, Poland, Romania, Hungary, Italy, Yugoslavia and the USSR and it was envisioned as the successor to the Comintern which the Soviet Union dissolved in 1943 to mollify its wartime allies. The goal of the Cominform was to place the European communist parties under Soviet direction and enforce a measure of uniformity in the implementation of communism wherever possible. It was the result of a meeting called by Stalin to ensure that communist governments would reject Marshall Plan assistance. Upon its creation, it was decided that its headquarters would be located in Belgrade. This was hailed as a display of egalitarianism among the communist parties but in reality, Stalin saw this as a way of keeping a closer eye on Tito, given his independent streak.

Comintern
Communist International was formed in 1919 by the Soviet Union. As the only communist country at the time, the Soviet Union was the leader and directed the actions of communist parties in other countries. It was dissolved in 1943 so that Soviet allies would not worry that the USSR was plotting against them.

The concept of a Balkan Federation
One last source of tension was Tito’s idea of establishing a Balkan Federation. Since Albania and Bulgaria were communist and there was hope that Greek communists would be victorious in the Civil War, Yugoslavia developed an expansionist view that reflected both communism and historical designs on the region. Albania was very closely linked to Yugoslavia already: the Albanian Communist Party, army and economy were all controlled by men loyal to Belgrade and their economies were closely linked; Tito even considered making Albania another republic within Yugoslavia (and giving it Kosovo). Bulgaria and Yugoslavia both claimed portions of Greece and both sought to expand to the Aegean Sea, hoping to integrate relevant portions of Greece into their countries. To the three countries, the idea of a Balkan Federation seemed a logical extension of ideological and regional solidarity.

The USA was concerned about Yugoslav expansion and opposed the idea of a Balkan Federation, feeling it would give the communists even more strength in eastern Europe. Stalin initially liked it, thinking it would strengthen Soviet control of the Balkans but due to US concerns he would not admit it publicly. As the idea seemed to gain more momentum, the USA grew more alarmed, leading the Soviets to believe they needed to act. Thus on 10 February 1948 the Yugoslavs and Bulgarians were summoned to Moscow so that Stalin could clarify his position. The Soviets wanted the federation on their terms so that it would be subordinate to the USSR. The Bulgarians did not object but Yugoslavia withdrew from the talks and stopped all planned integration. This was not the result Stalin had been hoping for.

Soviet-Yugoslav split, 1948
Stalin was angered by Yugoslavia’s unwillingness to accept the status of satellite state. Furthermore he felt that Tito was too independent, as witnessed by his actions in Trieste, Greece and the Balkans. In an attempt to rein in the Yugoslavs, in March 1948 the Communist Party of the Soviet Union criticized the Yugoslav Communist Party, seeing it...
as deviating from agreed-upon forms, and in May 1948 went so far as to refer to Tito as a heretic. Clearly, a showdown was imminent.

The June 1948 Cominform meeting was scheduled to take place in Bucharest, and Tito refused to attend or send a representative. In its absence, on 28 June 1948 Yugoslavia was expelled from the Cominform. The official, stated reason was that Yugoslav assistance to Greek communists violated Cominform agreements but that was merely the pretext. In addition to censuring Tito, Yugoslavia’s expulsion was intended as a lesson to other communist countries.

All Cominform countries also engaged in an economic blockade against Yugoslavia. It would receive no goods or credit from any member state. And in an attempt at intimidation, the Soviets amass troops on the Hungarian border with Yugoslavia, poised to act. In June 1948 the Soviets were enmeshed in the Berlin Blockade and couldn’t afford to divert too much attention to Yugoslavia. Still, Soviet hostility was apparent and, by many accounts, the USSR was hoping to overthrow Tito and install a more pliant leader, but such plans never came to fruition.

The expulsion led to general unrest in Yugoslavia and split the Yugoslav Communist Party. Those who supported Stalin and spoke out against Tito were targeted by the government. State Security Service (UDBA) forces arrested Stalinist supporters; they were jailed or sent to prison camps. Through the use of the UDBA, agents were found and neutralized, and Tito’s absolute rule was consolidated.

**Yugoslav foreign relations after the split**

Tito was determined to pursue his own path for Yugoslavia and did not want to become beholden to any power, but Yugoslavia could not isolate itself. Unlike the USSR or China, Yugoslavia needed foreign trade for the country to survive. What Tito realized was that the Cold War presented him with an opportunity. As a shunned communist country, he could use his position to leverage assistance from the West. He was never asked to compromise his ideological objectives, even though providing assistance to Yugoslavia became a key component of US Cold War strategy. And as other leaders came to similar conclusions, they formed a group of developing countries determined to assist one another in modernization while remaining outside the Cold War power struggle. The result was that Tito became the sole European leader affiliated with the Non-Aligned Movement.

**Relations with the USA and the West**

Although Tito was suspicious of the West, and of American objectives in particular, he decided to seek reconciliation. While some issues, such as Trieste, were not resolved until the following decade, the Americans were happy to offer assistance to Yugoslavia once they realized that the Soviets would not intervene. In 1949 the USA began to provide limited assistance, and in 1951 it became an auxiliary recipient of Marshall Aid and military assistance. The USA was hoping that this assistance to Tito would give other countries in the Soviet
phere sufficient impetus to follow his model and break away, not understanding the different dynamics in Soviet dominance over the other eastern European countries. For Tito, assistance provided him with continued autonomy and gave him the financial support needed to develop the Yugoslav economy.

In August 1953 the issue of Trieste arose once again when the UK and USA made the decision to cede Zone A to the Italians, leading to a permanent partition of the region. Yugoslavia protested, and mobilised its forces, promising to act if Italian troops moved into Trieste, thus prompting a crisis. The result was a stand-off of Italian and Yugoslav troops, both of whom claimed they had the legitimate right to occupy the region. After a year of negotiations, the London Memorandum dissolved the Free Territory, and gave the city and most of Zone A to Italy while Yugoslavia retained Zone B and also acquired several villages that were considered historically Slovene. The issue was resolved and the main source of conflict between Yugoslavia and the West abated.

After this, relations with other western powers also improved and, with the death of Stalin, relations with eastern Europe resumed. Yugoslavia ad the distinction of having major trading partners and positive relations with both sides of the Iron Curtain, including relations with both East and West Germany. Although there were some discussions about Yugoslavia joining NATO, Tito resoundingly refused, protecting Yugoslav neutrality.

Ion-alignment

The cornerstone of Yugoslavia's foreign policy was leadership in the Non-Aligned Movement. Most of the non-aligned countries were former colonies in Africa and Asia, but Tito found he had more in common with them than other powers, and joining that movement would allow him to travel between the western and communist worlds freely. Although the roots were in the Bandung Conference, the movement was formally created in Belgrade in 1961. Membership, it was hoped, prevented countries from becoming the pawns of the major powers or slipping back into a colonial relationship because the countries would reinforce one another. While they often had a majority in the UN General Assembly, they lacked real authority as the permanent members of the Security Council could override most of the decisions they made.

In the late 1960s and 1970s, the agenda of the Non-Aligned Movement shifted more towards economic development; Yugoslavia did not necessarily share the same goals as other members because it was more economically developed due to foreign assistance. However, Tito remained a steadfast supporter of the principles of non-alignment and supported the organization until his death in 1980.

The effect of Khrushchev's regime in the USSR

Khrushchev's death in March 1953 led to wide-ranging changes for the Soviet Union both domestically and diplomatically. Once Khrushchev consolidated control of the USSR he initiated rapprochement with a number of countries. Although not yet a stated policy, Khrushchev was engaging in what he termed peaceful coexistence, and while this policy was designed to
defuse the arms race with the USA it also applied to Yugoslavia. To display the change in Soviet attitudes, Khrushchev journeyed to Yugoslavia, ended the embargo and re-established relations with Tito.

Despite such measures, Tito remained somewhat aloof from the other eastern European countries in his commitment to the Non-Aligned Movement and refusal to join the Warsaw Pact. However, he engaged in trade relations with eastern Europe, putting him in a unique position as a communist country that had relations with all of Europe. This had positive effects on both Yugoslavia’s image and its economy, and throughout the course of the Cold War it was among the most prosperous of the communist countries.

▲ Tito [left] meeting with the Soviets [Kosygin, Veselinov and Khrushchev [left to right]] in Moscow, 1962

**Effect of the Cold War on Yugoslavian internal affairs until the death of Tito (1945 – 1980)**

When the Republic was founded, its constitution was modelled on the USSR’s and its economic policies were based on trade relationships and assistance from eastern Europe and the USSR. The split meant that Yugoslavia had to rethink its economic organization, leading to less centralized control that was assisted by grants and loans from the West. Its constitution was revised and rewritten several times, each time increasing personal freedoms and giving greater attention to the nationalities issues.

**Domestic affairs 1945–1948**

The first action of the Constituent Assembly was to depose the monarchy and create the Federal People’s Republic of Yugoslavia. The 1946
Constitution was modelled on the Soviet Union’s 1936 Constitution, and while the Communist Party was not mentioned by name, it was clear that the Party would be responsible for interpreting the constitution. This was articulated as revolutionary statism, meaning that the dictatorship of proletariat was carried out by the Yugoslav Communist Party in the name of the workers.

The new state was popular among much of the population but it also relied on the State Security Administration (OZNA from 1944–1946 and then the UDBA) to find, try and convict wartime Axis collaborators and political opponents of the communists. In the early stages of the Republic roughly 350,000 people were exiled for these reasons.

The economic structure was also initially modelled after the Soviet centralized system even though Tito recognized that dramatic changes to the economic system could not be made until the post-war situation stabilized. In 1945 and 1946 economic survival depended largely on United Nations relief which gave the country $400 million in goods such as food, clothing and tools to enable recovery.

Once the situation stabilized somewhat, in 1947 Yugoslavia attempted a Five-Year Plan intended to place most of the economy under government direction via the Federal Planning Commission. All means of production and foreign trade belonged to the state through the economic organization. Mining, industry, banking, insurance and transportation all became the domain of the state, and 80% of these enterprises came from expropriated property.

Through the Basic Law of State Economic Enterprises, an agency was established which dictated production targets and to which all factories reported. This law also stated that trade unions only had advisory status. As a result, there was little incentive for workers or managers to propose new initiatives; the industrial sector was inefficient due to this top-down approach to economic development. Even though Five-Year Plan targets were not met, industry rapidly expanded and by the 1950s all industries but oil exceeded their pre-war levels of production, and non-agricultural employment opportunities increased 75%.

As part of centralizing the economy Yugoslavia attempted collectivization at the behest of the Soviets, who wanted to import grain from its satellite states. Land for collectivization came from property that the government expropriated from collaborators and Axis nationals and 2 million acres (792,000 hectares) of land was redistributed to 263,000 peasants and 72 cooperatives. The government did not nationalize Yugoslav-owned land or homes as it didn’t want to destabilize the countryside too much and the Law on Agrarian Reform included an article which stated that the “land belongs to those who cultivate it”. In land distribution individual farms were to be between 50 and 85 acres (20 and 35 hectares) so that families had enough land to thrive, but the lower limit pointed to the problem of rural overpopulation. The collectives were not forcibly implemented although there were incentives to enlarge these after 1951. There were still too many people living off the land than it
could sustain and the government needed to implement policies that would encourage people to leave the countryside.

Ultimately the Five-Year Plan failed, however, because it assumed Soviet assistance and trade with the Soviet Union and eastern Europe. The focus on industrial development was an appropriate move but further increases were impossible in the changed circumstances. When the Plan ended in 1952, it had created the foundation for future growth but Yugoslavia was sorely lacking in consumer goods, just like the rest of the communist world at the time.

Post-1948 policies

Although the loss of Cominform trade and assistance was initially a problem for the Yugoslav economy, it also freed it from Soviet economic doctrines. At any rate, Tito did not want to be dependent on Soviet goods and trade, so this accelerated the pace of economic autonomy for Yugoslavia just as it slowed the push for collectivization.

During the war, people's councils existed in Partisan-held areas that provided economic and administrative support to the resistance movement, and Tito quickly recognized that these could be used by the government to create a third way between communism and capitalism. Similar “workers councils” were established in key industries and while their power to act unilaterally was limited, the idea of worker self-management, as it was called, tapped into the pioneering spirit of developing a state from its beginnings; the Yugoslav youth enthusiastically joined vast infrastructure projects and brought Yugoslavia to pre-war levels by the 1950s. Massive housing projects created new domiciles in emerging industrial areas and education and health systems expanded. Between 1952 and 1959 the country experienced 13% annual growth in industrial production, but the government consistently ran at a deficit. While centralization — and US assistance — had been the keys to success, by 1960 the country needed new invigoration and the key seemed to be de-nationalization (or decentralization) of industry.

This coincided with the creation of a new constitution that somewhat separated the government from the Communist Party. The schism within the Communist Party had led to its dissolution and recreation as the League of Communists but it still retained considerable control. The 1963 Constitution was an attempt to shift this while giving more personal freedoms and human rights to the population. For the economy, decentralization allowed small private businesses and the creation of market socialism — a system whereby the workers owned their firms and shared in the profits they generated.

Although Yugoslavia experienced high inflation and unemployment in the late 1960s, the shift to market socialism continued growth and as the population shifted from rural to urban, literacy and life expectancy soared. The freedom to work abroad and a flourishing tourist industry that drew
from all of Europe helped the economy, and Yugoslavia's quality of life was comparable to western Europe rather than the communist world, but the economic problems were prompting action from Tito.

The 1970s saw a resurgence of repression along with yet another constitution which sought decentralization and devolution of responsibility to the republics, while retaining central control over the economy—a near-impossible proposition. Tito dominated politics well into his 80s, however, in 1980 he succumbed to gangrene and died three days short of his 88th birthday. His funeral is considered to be the largest state funeral in history due to the number of international heads of state and functionaries present.

Yugoslavia after Tito

Like most authoritarian leaders, Tito left no successor and thus he was succeeded by collective communist leadership. Tito possessed a legitimacy that none of his successors did, as the Second World War liberator of the country, and there were no leaders who were respected by all the nationalities. Yugoslavia continued to rely on US assistance, which was increasingly necessary due to crippling debt. While it was a successful host of the 1984 Olympics the conditions in Yugoslavia continued to worsen throughout the 1980s, along with increased tensions among the nationalities. The collapse of Yugoslavia coincided with the end of the Cold War as Yugoslavia lost its strategic advantage as the bridge between East and West, and the USA no longer saw support for Yugoslavia as advantageous, affecting its economy. Furthermore, communist ideology was questioned in the country as the system collapsed around it, leaving it and Albania as the two remaining European communist countries. In December 1990 Slovenia held a referendum in which 85% of the electorate voted for secession, beginning the lengthy process of the break-up of Yugoslavia that was punctuated by riots, violence, war and genocide. Dissolution of Yugoslavia was complete in 1992 with the creation of five successor states: Bosnia-Herzegovina, Croatia, Macedonia, Slovenia and Serbia and Montenegro, which were united until 2006. Kosovo declared its independence in 2008 although Serbia still considers it an autonomous region within its territory—the same status as Vojvodina.