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Summary

The emigration of workers, which Yugoslavia legalised in 1963, reached a peak between 1969 and 1973 when around 1.3 million Yugoslav workers and family dependants were estimated to be abroad. The first oil crisis of November 1973 brought to an end to this massive emigration, as the principal recruiting countries decreed a stop to the further recruitment of foreign labour forces. More generally, this implied that the conditions for the temporary employment of the Gastarbeiter (guest workers) vanished, and that they should return to their country of origin. Analysing statistical and economic data, archival documentation, and press material this paper elaborates on the development of the Yugoslav emigration patterns and on the Yugoslav migration policy during the phase of massive emigration which preceded the halt on recruitment of foreign labour forces in Western Europe. It will show how attempts to promote the workers’ return were undertaken before further recruitment was halted but encountered unexpected difficulties. Investigating the political and socio-economic context in which these initiatives had been undertaken, this paper advanced the thesis that the principal reason lies in the decline of interest in creating a Yugoslav common economic and labour market, which deepened the problem of regional underdevelopment.

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Introduction

In 1963, after intense discussions within the Communist Party, the Yugoslav elite decided to legalise the emigration of workers which, until then, was illegal. There were two principal reasons for this change: one was that since the second half of the 1950s cases of Yugoslavs crossing the north-western borders as tourists to find employment abroad had been numerous and constantly growing. The second was that in 1961–1962 Yugoslavia experienced economic a recession accompanied by a high rate of unemployment and growing debt in hard currency.

From a practical point of view, the departure of unemployed workers and the remittances they would send from abroad would help Yugoslavia to overcome this difficult economic juncture. However, as from an ideological point of view, the sending the workers abroad and especially to the capitalist West was incompatible with the principles of Marxism, it was stressed that the workers continued to be considered part of the Yugoslav community during their stay abroad, which was of a temporary character, and that the ultimate outcome of the migration process was the workers’ return home. Accordingly, the official definition of the worker abroad was “radnik na privremenom radu u inostranstvu” (worker temporarily employed abroad).

Despite that, research on the Yugoslav migration policy of the 1960s underlines that the Yugoslav practices of worker recruitment aimed at maximising emigration without developing any plan to facilitate the workers' return. Only obliged by the halt of the recruitment of foreign labour forces, the Yugoslav leadership endorsed the “Social Compact on the Temporary Employment of Yugoslav Citizens Employed Abroad and on the Return of the Yugoslav Citizens from Employment Abroad” in which the workers’ return acquired a legal status. This was the first case in Europe, in which a law on migration had the term “return” in its title, as if to attest officially the Yugoslav political determination to bring back their workers.

The aim of this paper is to analyse the debate and initiatives undertaken by the

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Yugoslav institutions to take over the workers emigration on the threshold of the stop on *Gastarbeiter* recruitment in Western Europe. In doing that, this contribution seeks to show that the need of a programme for the return of the Yugoslav workers was claimed by institutional actors already in the late 1960s. Although accompanied by local-based initiatives to incentivise the Yugoslavs to return and invest their savings at home, the features and the results of these endeavours revealed that the Yugoslav labour market was “deformed” as job demand and availability did not meet. Accordingly, the precondition for the successful return and reintegration of the *Gastarbeiter* was far from being reached.

Individuating in the unsolved question of regional development and, to a great extent, in the duality between south-eastern and north-western areas one of the principal “deformities” obstructing the implementation of a programme for the workers return, this paper will illustrate the different patterns of economic emigration in Yugoslavia in its late 1960s. The aim will be to illustrate the impact which the implementation of self-management in economy, through the reforms introduced in 1965-1967, had on their further development. In doing that, the leading idea is that the process of power decentralisation sanctioned by the reforms did engender new waves of emigration instead of offering the instruments to limit this phenomenon. Affecting particularly the south-eastern regions, the new emigration went together with the decline of interest and investments in fostering a Yugoslav domestic labour and economic market, as the new leadership’s declared priority was to integrate Yugoslavia in the Western economic system. Within this context, the attempts of the *gastarbajteri* to invest their savings in their local communities to create productive factories and thus work places were severely affected. The limited potential offered by the economic fabric, was further neutralised by the negative attitude and distrust of the local administrations towards the *gastarbajteri* upon their return home.

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7 The Serbo-Croatian spelling of the German “*Gastarbeiter*” – guest worker(s) in English – is *gastarbajteri*. *Gastarbajteri* is commonly used in spoken and written language to define economic migrants of rural origin and low qualifications. The term *gastarbajteri*, still in use today, has often been imbued with socio-cultural distance by the middle-upper classes. In this paper both terms *Gastarbeiter* and *gastarbajteri* will be used. While the former indicates the Yugoslav workers abroad as a category of the Yugoslav migration policy or as subjects active abroad, the latter defines them as socio-economic actors in Yugoslav society. This is an attempt to differentiate the two roles Yugoslav workers abroad played in Yugoslavia. However, the elaboration on the broader significance of the use of both terms is still a work-in-progress. Cfr. Daniel Ondřej, *Gastarbajteri: Rethinking Yugoslav Economic Migrations towards the European North-West through Transnationalism and Popular Culture*, in *Imagining Frontiers Contesting Identities*, ed. by Steven G. Ellis and Lud’a. Klusáková (Pisa: Plus 2007), pp. 277-301; Pedrag Marković, *Srpski Gastarbejteri kao Factor Modernizacije u Srbiji, Istorija XX veka*, 2 (2005), 145-163.
Reviewing a broad spectrum of primary sources—archival documentation, economic and demographic data, and press material—produced by Yugoslav institutions on migration issues, and integrating them within the historiography on the Yugoslav socio-economic and political developments since 1963, this paper addresses five different concerns, each of which in analysed in a separate section.

The first outlines the patterns of Yugoslav emigration in the 1960s and the institutional debate on its consequences. The second analyses the Yugoslav migration policy in its domestic and transnational dimensions. The third focuses on the effects the economic reforms had on the further development of the Yugoslav labour market and migration patterns, while the fourth examines the economic and political consequences the wider implementation of self-management had on the authorities’ approach to emigration and in particular to return. The fifth and last part offers a closer view of the potentiality and limits of the workers’ return, presenting the story of Pionirka the first and most successful devizna fabrika (remittances factory) built thanks to the enthusiasm and savings of the Yugoslav gastarbajteri.

1. The Yugoslav Economic Migration in the 1960s. Past legacy, Ongoing Trends and Future Threats

1.1 The Migration Patterns in Socialist Yugoslavia. An Historical Overview

In his historical analysis of Yugoslav labour migration, Carl-Ulrik Schierup demonstrates that after WWII, the outflow of workers from Yugoslavia began earlier and developed faster in three different types of regions:

1. Urban and industrial centres like Belgrade and the other national capitals which presented an absolute low rate of emigration but a considerable high average of qualified workers among them.

2. The flat and fertile soils of Vojvodina, Slavonia and north eastern Serbia which had an extremely high rate of workers’ emigration, mainly workers with low qualifications.

3. Coastal and mountainous areas (like Dalmatia, Lika, Herzegovina, south-eastern

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Macedonia and Medjumurje) which had a long tradition of emigration and presented a higher number of emigrants among whom unskilled workers were most numerous.\(^7\)

These types of regions were overrepresented in the northern parts of the country and especially in Croatia, on whose territory all three of them existed. Differently, the agricultural and backward south eastern regions (namely Montenegro, Serbia proper and Kosovo) seemed mostly excluded by the emigration process.

According to Schierup, the variety of these regional patterns of migration depended on the local practices of labour organisation and on their inclusion in the international division of labour, which took place at different paces. Although underlining that different traditions coexisted even between neighbouring villages, the author indicates the most influential distinction was between the areas that had belonged to the Austro-Hungarian Kingdom (Croatia, Slovenia, Vojvodina) and those part of the Ottoman Empire (Serbia, Bosnia, Montenegro, Macedonia). The former, inheriting basic infrastructures and (a kind of) capital accumulation, had established in earlier times basic industries and trade networks with Europe and hence channels of emigration toward the West, even maritime.\(^8\) By contrast, the latter were involved in internal seasonal migration which, with the exception of Macedonia, did rarely present long/distance and long/term character.

The continuity with inherited migratory patterns was evident in several aspects in the 1960s. First of all, the majority of the *radnici na privremenom radu u inostranstvu* (workers temporarily employed abroad) were from the north-western areas of the country (see table 1, page 6). According to the census of the population held in 1971, half of the total number of Yugoslavs abroad were Croats, part of whom were from Bosnia Herzegovina, which was second, after Croatia, in terms of workers abroad. Vojvodina, Slovenia and Macedonia participated in a minor proportion while Serbia proper, Kosovo and Montenegro were only slightly represented. Secondly, the fact that in most of the south-eastern Yugoslav regions, the process of industrialisation began only after WWII, while in the former Hapsburg territories, textile industries began in the interwar period, explains why more women and workers with longer school attendance and better qualifications

\(^{7}\) Ibid.  
\(^8\) Ibid, p. 64. See also Ulf Brunnbauer, ‘Labour Emigration from the Yugoslav Region from the late 19th Century until the End of Socialism: Continuities and Changes,’ in *Transnational Societies, Transterritorial Politics. Migration in the (post)Yugoslav Region, 19th-21st Century*, ed. by Ulf Brunnbauer (München: R.Oldenbourg, 2009), pp. 17-29.
emigrated from the latter than from the former.\(^9\)

Despite that, the decision of the Yugoslav leadership to “invest” in economic migration for solving unemployment and debt in hard currency transformed workers’ emigration from a regional phenomenon to a Yugoslav one. The change was gradual and, according to Othmar Nikola Haberl, went through six phases.\(^10\)

The first covers the years 1961-1965. During this period, opened by a “small” economic reform and closed by an extensive one, workers’ emigration transformed from an illegal and marginal phenomenon to a welcomed and institutionally organised practice, legalised in 1963. Moreover, the liberalisation of the passport issuing and the first agreement on recruitment with France in 1965, put the basis for a rapid growth of this type of emigration. The short-term second phase (the first six months in 1966), confirmed this tendency with new agreements on recruitment with Austria and Sweden. The recession in Western Europe, starting on the turn of 1966/1967 and lasting for all 1967, stands for the third phase. The fourth and fifth, from 1968 to 1970, and from 1971 to 1973 respectively, were marked by the boom of Yugoslav workers’ emigration\(^11\), while the last sixth one, beginning with the halt of recruitment in November 1973, represents its definitive decline.

To summarise, although the Yugoslav emigration of economic character in the 1960s became a great phenomenon thanks to its legalisation in 1963, it developed according to transnational networks and structures inherited by the imperial systems ruling in the past on the Balkan peninsula. That meant that despite the Yugoslav leadership plan was to send abroad unskilled workers from the underdeveloped areas, it was mainly the north-western part of the country, most developed and traditionally integrated in the Western system, to be affected by emigration.

Outlining the debate on workers emigration in the late 1960s, the following section will illustrate how, the “duality” of the Yugoslav migration system also had different socio-economic implications for the areas of origin of the migrants, varying according to regional or even local socio-economic structures. It will also show that it was not these questions which defined the new leadership approach to employment abroad. On the contrary, it was the perception of the political risk which economic migration seemed to


\(^11\) The agreement of recruitment was signed with FR Germany in 1968 and with Belgium, Luxembourg, the Netherlands, and Australia in 1970.
represent that dictated the priority of a new re-formulation of migration policy.

**1.2 The Debate on the Consequences of Workers Emigration**

**Economic Consequences and Political Risks**

When in 1969 the Yugoslav emigration entered its most acute phase, thanks to the determining and long-sought recruitment agreement with FR Germany signed on 12th October 1968,12 the consequences which its massive dimension was producing in the country were already the object of growing concern in the north-western republics.

In particular, Zagreb was to emerge as the principal centre of debate on workers’ emigration. At the Department for Migration Studies here set up in 1967, a working group of economists and sociologists published a series of studies which questioned whether Yugoslavia had any profit from sending its workers abroad.13

To summarise, the argumentation was the following:

Among the emigrants several were (high) qualified workers who were lacking at home. Their deficiency, particularly serious in some sectors, like medical care and engineering, was expanding from Croatia and Slovenia to the other republics/provinces.14 Yugoslavia, which had paid for their education, would have no profit from them, since the qualified workers presented a tendency to assimilate in the host countries bringing with them their families. In addition, their return being a precondition for the further development of Yugoslavia, the already visible phenomenon of depopulation and aging of the population in agricultural areas were indicated as the most diffused collateral factors in the near future. These problems would not be solved by the fact that the majority of the unskilled workers planned to return, since when they returned to their villages, conditions for their employment were still lacking.15 The savings they brought home did not represent a solution either, since the rural areas mostly affected by workers’ emigration were marked by intensive house building and disproportionate numbers of tractors and cars but not by

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12 This had immediate effects on Yugoslav workers' emigration which in 1969 was two times larger than in 1967. For a detailed analysis see Karolina Novinščak, 'The Recruiting and Sending of Yugoslav 'Gastarbeiter' to Germany: Between Socialist Demands and Economic Needs,' in *Transnational Societies, Transterritorial Politics*, pp. 121-143.


signs of development.\textsuperscript{16}

Debate was widened after the census held in 1971, which for the first time included the category “radnik na privremenom radu u inostranstvu” (workers temporarily employed abroad).\textsuperscript{17} The results largely supported the suspicion that workers’ emigration had become a phenomenon rather different to that planned by the Yugoslav leadership.

Despite the plan to send abroad only over-abundant unskilled workers, the 671.908 registered members of the Yugoslav “temporary” community abroad were more qualified and younger\textsuperscript{18} than those in Yugoslavia. In addition, a considerable part of them (more than 40%) had a job before emigrating.\textsuperscript{19} A further alarming factor emerged comparing the registrations of the Yugoslav agency with those of the other recruiting countries: the Yugoslav data was rather imprecise and in general underestimated the real dimension of the phenomenon (see table 2).

Although the consequences of this uncontrolled outflow of workers was evident in the demographic and socio-economic spheres, it was chiefly the political implication which economic migration demonstrated to have on the question of national security and national interest which defined the new priorities of the Yugoslav leadership towards economic migration. More precisely, the political elite perceived the lack of control over the Yugoslavs abroad, not only as an economic risk but also or principally as a political one.

At first, the matter was that a large number of working-age males abroad did not complete military service before leaving and therefore Yugoslavia would be too weak to defend its national integrity in case of aggression from external powers.\textsuperscript{20} According to William Zimmerman this menace became real at the eyes of the Yugoslav elite at the end of the 1960s when a period of tense Yugoslav–Soviet relations (1966-1969) was followed by the U.S–Soviet détente.\textsuperscript{21} Indeed, it was soon after that the political implication of


\textsuperscript{18} Ibid. Men between 20 and 35 were overrepresented. Skilled workers were 16,6% of the total Yugoslavs abroad against the 6% in Yugoslavia; 43% of the workers abroad had finished eight years of primary school while the average in Yugoslavia was 33%.

\textsuperscript{19} Ibid, pp. 106-111.

\textsuperscript{20} Haberl, \textit{Die Abwanderung von Arbeitskräften aus Jugoslawien}, pp. 123,124. See also Ivanović, \textit{Geburtstag pišeš normalno}, p. 76.

\textsuperscript{21} Zimmermann, \textit{Open borders, Non alignment and the political evolution of Yugoslavia}, 111.
economic migration revealed its anti-Yugoslav potential, not due of the threat of external attack, as initially feared, but because Yugoslavs employed abroad were used as an instrument to articulate discontent on a national basis.

That economic migration incited domestic criticism was clear already in 1968, when the lack of employment at home had been denounced by the new left and student movement in 1968. Nevertheless, it was a couple of years later, during the escalation of the Croatian mass movement in 1971 that the political implication of the Gastarbeiter emigration revealed itself.

Sparked by a series of quarrels between Serbian and Croatian political and cultural institutions, several demonstrations took place in Zagreb during the spring of 1971, claiming that the Croatian identity was suffocated by the hegemonic tendencies of the Serbian leadership. At this time, the Croat anti-socialist and anti-Yugoslav émigré organisations seemed to play an important role in supporting the events taking place in Zagreb and in recruiting sympathisers among the (Croatian) Gastarbeiter. Allegedly, a strike was organised during the Christmas holiday in Zagreb because in this period the employed abroad visited Home and some months later two terroristic attacks were executed by Croat workers against Yugoslav embassies in Munich and Stockholm respectively.

Although an isolated case of workers’ engagement in anti-Yugoslav activities, the contribution that the Yugoslav Gastarbeiter gave to the explosion of “the biggest internal political crisis Yugoslavia had known since WWII”, was probably among the reasons which brought the ruling party, the League of the Communists of Yugoslavia (LCY), to create an organisation called Opunomoćtvo (which translates as ‘empowerment’), a political entity which embodied the party abroad. In charge of supervising the activity

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24 The emigration for political reasons (called politička or neprijatelska emigracija) has always concerned the Yugoslav authorities. Among the various political movement abroad, particular active was that of the Ustaša, that during WWII governed a puppet state created by the fascist forces of occupation. See Ivanović, Geburtstag pišč normalno, pp. 179-188. Ananije Leković, Ugroženi identitet (Beograd: Pres Kipling, 1981), pp. 65-74.
26 Haberl, Die Abwanderung von Arbeitskräften aus Jugoslawien, 123.
and loyalty of the LCY members abroad and to obstruct the further development of transnational networks hostile to the Yugoslav system,\textsuperscript{27} it illustrates the Yugoslav leadership’s new approach towards emigration that Zimmermann defined as a “kind of novel transnationalism, [….] an overlapping of the effective, as opposed \textit{de jure}, boundaries of Yugoslavia with those of other states, especially Europe”\textsuperscript{28}.

To summarise, if in the second half of the 1960s the Yugoslav authorities’ attitude towards the workers aimed at maximising their emigration, negotiating recruitment agreements with several Western Countries, at the beginning of the 1970s the economic and political implication of its uncontrolled development brought about a new migration policy which, while reducing emigration, would regulate all the stages of the migration cycle: departure, permanence abroad and return. Analysing the main novelty and features of the new stance of the leadership towards the employment abroad, the next section of the paper will be divided into two sections. The first one is devoted to the implementation of the policy abroad, while the second one examines its organisation in Yugoslavia.

2. The new Aims of the Yugoslav Migration Policy. From a Quantitative Emigration to a Qualitative Return

2.1 The Transnational Dimension of the Yugoslav Migration Policy

To reaffirm that the Yugoslav workers continued to be part of the Yugoslav working class when (temporarily) abroad, the Yugoslav leadership broadened its activities in three areas: the protection of the rights of the workers, the control over their political orientation, the strengthening of their bond with the Home country. Regarding the first, the presence abroad of the Yugoslav embassies, consulates, and Trade Unionists was increased. Their assignment was to inform the workers about their rights as workers, collaborate with foreign Labour institutions and to control that the conditions of work adhered to the terms of the social agreements signed with Yugoslavia. Particular efforts were made in the FR Germany where the 60\% of the Yugoslav emigration in Europe was concentrated. Here, in agreement with the German workers’ organisations, Yugoslavia sent special agents called \textit{socijalni radnici} (social workers) who,

\textsuperscript{28} Zimmermann, \textit{Open borders, Non alignment and the political evolution of Yugoslavia}, p. 113.
operating among the workers inside of the enterprises, were in charge of offering legal and social support to the Yugoslav workers.\textsuperscript{29}

Regarding the monitoring the possible political deviation of the Yugoslavs abroad, two principal directions were taken. On the one hand, members of the party (controlled by the above mentioned \textit{Opunomoćstvo}) were sent abroad to deal exclusively with the diffusion of Yugoslav political propaganda and the promotion of the patriotic sentiments among the workers.\textsuperscript{30} On the other hand the maintenance of the socialist way of thinking as well as the sociability and solidarity among the Yugoslavs, were fostered through a more substantial support to the Yugoslav clubs that had an important increase in number.\textsuperscript{31}

However, it was in the field of information and cultural entertainment on which most attention was focused. As Vladimir Ivanović underlines, until that time, state-established networks to coordinate the sending and distribution of material among the Yugoslavs abroad were lacking. The Yugoslav representatives, already operating in the host countries with the task of providing for federal institutions instructions regarding the content and quantity of the informative material to be sent, had trouble dealing merely with their own duties.\textsuperscript{32} Accordingly a new institution was established in 1970: the Yugoslav centres of information activities. In these places the Yugoslav workers could find and enjoy free of charge Yugoslav films, books, magazines, newspapers and similar items as well as attend organised events like national celebrations and the visits of delegation from Yugoslavia.\textsuperscript{33}

In general, the results in all these fields presented an ambivalent character. Although Yugoslavia signed several agreements in the field of the social and medical insurance with the recruiting countries, a large number of the \textit{Gastarbeiter} continued to be excluded by these services; the low rate of Yugoslav workers becoming members of Trade Unions\textsuperscript{34} as well as the complexity and precarious conditions of enrolment provided


\textsuperscript{30} Ibid, pp. 178,179.

\textsuperscript{31} Archive of Yugoslavia, Belgrade (\textit{Arhiv Yugoslavije} further abbreviated as AJ) fond.142-II, fasc. 481 (AJ 142-II/481), Podsednik o Nekim Aktuelnim Pitanja Zapošljavanja naših Radnika u Inostrastvu, 26,27; see also Leković, \textit{Ugroženi Identitet}, pp. 197-200.

\textsuperscript{32} Ivanović, \textit{Geburtstag pišeš normalno}, pp. 151-157.

\textsuperscript{33} Ibid, 161. See also Leković, \textit{Ugroženi Identitet}, pp. 191-194.

\textsuperscript{34} Concerns about the low participation of the workers to the activities of the Trade Unions was widespread and brought to cases of compulsory of membership before the workers’ departure. AJ 142-II/480, Predsedništvo SKJ, Opunomoćstvo PSKJ, Str.pov. br33-344/2, 9/4 MV.
by the Yugoslav Agency of Recruitment, played an important role.\textsuperscript{35} Additionally, the collaboration between the workers and the Yugoslav authorities' representatives appeared to be put into question from two fronts: on the one hand, several episodes of corruption of members of the Yugoslav state apparatus affected negatively the \textit{Gastarbeiter}'s trust in the Home country institutions;\textsuperscript{36} on the other hand, the fear of being sent back Home to complete military service, might have pushed the workers to rely only on the help of friends and charity organisations. Over and above that, the help the \textit{Gastarbeiter} received for their everyday needs were weak and inconsistent as their care was delegated to the self-organization of different local and Yugoslav actors, which only occasionally collaborated and mainly concentrated on big cities.\textsuperscript{37}

With respect to political loyalty, the worry about the diffusion of anti-Yugoslav and anti-socialist views among the \textit{Gastarbeiter} seemed excessive. Except for the events following the Croatian spring, there was no proof of any \textit{Gastarbeiter} propensity to join emigrant anti-Communist groups. More widely, the Yugoslav workers seemed rather disinterested in political activity, as their only goal was to work as much as possible in order to get as soon as possible the savings to go Home. Accordingly, except for the radio programmes the interest in other forms of institutionally organised networks, like the clubs, was scarce. They preferred to informally meet with friends at the train station or close to the work place and in general to spend time with workers coming from the same village or region.\textsuperscript{38} This tendency, detectable also in attendance of Yugoslav clubs, was the object of discussion in Yugoslavia and seen as a breeding ground for nationalistic ideas which needed to be tackled.\textsuperscript{39} However, that was a rather singular question as the organisation on national and regional basis was above all the direct result of the decision taken by the Yugoslav leadership.

Since 1970, the task of organising and producing the material as well as the activities relating to the workers abroad, from the information on job vacancies to the cultural and

\textsuperscript{35} For example, the employment through the Yugoslav Agency envisaged that the workers who left the enterprise that recruited them, were automatically deprived of the residence permittee. See Ivanović, \textit{Geburtstag pišes normalno}, p. 122.
\textsuperscript{36} Ibid, pp. 127-129. See also Dušan Lakičević, \textit{Staranje o našim Ljudima na Radu u Inostranstvů, Politika, 11 January 1971; n.n., Kao po Privatnom Poslu, Politika, 12 January 1971; Lj. M., Razgovori s Zaposlenima u Inostranstvu, Politika, 11 January 1973.}
\textsuperscript{37} For a detailed analysis see Ivanović, \textit{Geburtstag pišes normalno}, pp. 157-179.
\textsuperscript{38} Ibid, pp. 233-249.
\textsuperscript{39} AJ 142-II/481: Podsednik o Nekim Aktuelnim Pitanja Zapošljavanja naših Radnika u Inostranstvu, 25,26. Also the Tito speech in Rijeka on 3th May 1972 warned about the negative effects of promoting national differences among the Yugoslav working class abroad. See n.n.,’Radnička Klasa ne Dozvoljava grubo Diferenciranje izmedju Nacionalnosti, \textit{Novosti iz Jugoslavije, Broj 152, God. VII, 28 September 1972, p. 5.}
political propaganda, was concentrated at the republic and provinces, which had to coordinate the work of the socio-political bodies operating on their own national territory. Perhaps even more important, it was decided that while the federal administration would continue to pay for the *socijalni radnici*, the Yugoslav teachers and the diplomatic personnel working abroad, the republics/provinces had to fund at their own expense other activities and distribute the different tasks to their socio-political bodies: the cultural and propaganda material were mainly assigned to the individual republic’s *Matice Iseljenika*, television and radio stations while the preparation and the circulation of accounts/reports on job vacancies were the task of the regional and local administrations.

The principal outcome of this process was that several aspects of the migration policy were nationalised and namely that each republic/province had to care of its own *Gastarbeiter* both abroad and at Home. Within this context, it soon emerged that the northern republics that could count on better resources and connections to the West were privileged in promoting their own interest and bringing back their workers, while the south-eastern ones encountered much greater difficulties. Particularly extreme was the case of Kosovo, the most underdeveloped area of the country, which could not offer any information in Albanian to its workers abroad nor send Trade unionist or other kinds of institutional support.

To summarise, extending their networks in the host countries the Yugoslav leadership did create the basis for a stronger connection with their citizens abroad. Complementary to these activities, was the organisation of recruiting process at home as well as attempts to involve actively the workers abroad in the Yugoslav political and economic life. What were the outcomes and in what these activities consisted is the topic of the following section.

2.2 The Workers Recruitment Process: Divergences between Federal Directives and Local Practices

To ensure its control over the employment abroad and to correct its negative effects, the first question the Yugoslav leadership faced was to assess how many Yugoslavs went abroad...
and were abroad. As the census in 1971 showed, the Yugoslav Office for Employment did not record a great number of departures, although that was the only legally-recognised channel to be employed abroad.

Mulling over the motivation, Yugoslav academic and political bodies identified three main reasons for this unregistered outflow. Firstly, the adoption of an inappropriate methodology as the registration wanted to encompass only the temporary employed abroad without make clear what this category should include or exclude. That meant for example, that diplomatic and state personnel could have more chance to be included than workers abroad for more than five years. Secondly, as it was the family or relatives living in Yugoslavia at the time of the registration to declare to have someone abroad, workers who emigrated with the family or did not leave anybody at home, were not recorded. The third and most relevant was that many workers continued to emigrate spontaneously through informal channels, especially the qualified work forces. On the solution of this last one, the institution focused their endeavours.

In order to close the informal channels of recruitment, a more selective procedure of recruitment was adopted in 1972. Military service had to be completed prior to the departure and the permission to emigrate would be denied to the unemployed refusing a job proposal at home. Emigration of qualified workers was prohibited in areas where there was a severe shortage of qualified labour, like in Croatia and in Slovenia; in the latter, where the problem manifested itself earlier, additional deterrent measures were taken like take away housing benefit to the worker who went abroad although she or he had job as well as to ask the qualified workers who decided to emigrate to pay a special contribution to the state for the education they received at Home.

43 The Yugoslav Trade Union denounced the lack of a suitable methodology in several occasions. See for example: AJ 142-II-481 Podsednik o Nekim Aktualnim Pitanjima Zapošljavanja naših Radnika u Inostranstvu, Uvodne Napomene. Regarding the scholars' critics see Ivo Baučić, Neka suvremena obilježja problemi vanjskih migracija jugoslovenskih radnika; Gordana Vuksanović, Na putu do kuće (Novi Sad: Odsek za Sociologiju Filozofskog Fakulteta, 1997) pp. 13,14.


45 Restated at the beginning of all the political discussions on emigration, this issue was widely discussed also in the press. Among the several articles on the topic S. Manojlović, Stručnjaci idu bez Posrednika, Politika Ekspress, 23 April 1970; n.n., Treća Dimenzija Zapošljavanja, Ekonomski Politika, 19 October 1970; n.n., Otvoren <Treći Put>, Jutarnje Novosti, 24 October 1970, p.7; St, Rajković, Kako Zatvoriti < Treći Put>, 24 October 1970.


47 AJ 142-II/481 Podsednik o Nekim Aktuelnim Pitanjima Zapošljavanja naših Radnika u Inostranstvu, 39,39.


49 J. Pijević, Ograničiti odlazak stručnjaka u inostranstvo, Borba, 8 April 1971; (Tanjug), Pisanje Austrijske Štaeme. 22 April 1971.
The implementation of the restrictive emigration policy went together with the promotion of the active participation of the employed abroad in political assembles, meetings, and forums where their problems were discussed. One of the first of those was the 2nd Congress of Self-management held in Sarajevo on 7th May 1971, at which representatives of the Yugoslav workers abroad were called to participate and discuss their problems with the members of all the leading political bodies from all parts of the country. On this occasion, the 46 Gastarbeiter participating at the Congress lamented the defective support they received both abroad and at home. When back in Yugoslavia they attended the meetings organised for them, they were asked to return and bring their remittances home, as growing possibilities of employment and profitable investment were waiting for them; however, on return, the job possibilities were much less than promised and workers could not apply for them as the qualifications they acquired abroad were not recognised. Secondly, they were not encouraged to invest their savings in Yugoslav banks as the interest rate for hard currency was lower than offered by foreign banks abroad. On the other hand, the Gastarbeiter complained that the action of the Zavod za zapošljavanje (Office for the Employment, in charge of the direction of the recruitment procedure) was not effective in controlling the process of employment abroad. When the workers arrived in the host country, instead of being employed according to the official procedure, they were hired according to other procedure decided in loco by Yugoslav personnel of employment agencies and foreign employers. In response to these complaints, the authorities explained that several initiatives were in progress and that the Socialist Alliance of the Working People (SSRNJ), the largest Yugoslav mass organisation, had instituted an ad hoc committee whose task was to coordinate and to verify the ways to improve their results. In summary, the debate defined the objectives which the collaboration among the Gastarbeiter and Yugoslav socio-political forces should undertake in order to be effective. With respect to the return, the workers must be reintegrated in the work recruitment system in Yugoslavia, where the qualifications acquired during their permanence abroad should be recognised. With respect to emigration, whereas unskilled workers from underdeveloped regions were still to have permission to go to work abroad, the departure of

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50 Haberl, *Die Abwanderung von Arbeitskräften aus Jugoslawien*, p. 137.
52 Ibid.
53 Ibid.
(high)qualified forces, as well as the informal channels of recruitment, had to be obstructed.\textsuperscript{55}

That meant that the definition and implementation of the Yugoslav migration policy were based on the collaboration of numerous forces and actors that had to work together in order for policy to be successfully implemented; at the basis there was the idea that each of those entities could be at the same time capable of promoting the defence of the interest of Yugoslavia as a whole and also be responsible for solving its own problems and handling its benefits. This was quite ambitious considering the different migration tradition and patterns, which in some cases were radically different, as for instance in Montenegro and Slovenia. In 1969, while the latter was opening its first bank subsidiary in Munich, the former was just adopting the procedure through which the workers should apply in order to get the permission to work abroad.\textsuperscript{56}

The difficulties in conciliating the different Yugoslav migration experiences emerged clearly in political debates, at which delegates from all parts of the country illustrated rather distinctive problems. For example, doubts about whether to make the method of recruitment more stringent emerged during a meeting of the LCY presidency held in 1972. The problem was that the official procedure to give to the worker the permission to emigrate was already quite complex. In theory, it was foreseen that the office for the Employment of the local community of the potential emigrant in order to give its approval, had firstly to inspect that the worker fulfilled application criteria, and secondly to verify the absence of any job for the candidate in one of the other Yugoslav communities. In Serbia for example, during 1971 several changes had been adopted to make the procedure easier. As qualified emigration from this republic was still a marginal factor, a rigid recruitment process was seen as self-defeating, and the reason was that, of the 250,000 Serbs abroad, who were mainly peasants, only 50\% had gone through the official channels.\textsuperscript{57}

By contrast, in areas afflicted by shortage of skilled labour, mainly Croatia and Slovenia, “irregular” practices of workers departure were also diffuse but for different reasons. Several authors explain how the informal channels were often fostered by the foreign firms which, supported by the Yugoslavs already employed abroad, preferred to recruit directly workers in their houses, without waiting for the official and bureaucratically

\textsuperscript{56} Ibid, pp. 51, 52.
\textsuperscript{57} AJ 142-II/480: Predsedništvo SKJ, Opunomoćstvo PSKJ, Str.pov. br33-344/2, 9/3 MV.
weighed-down Yugoslav response.\textsuperscript{58} Analysing the documentation of the political sessions devoted to the topic, however, it came out that the same Yugoslav institutions played a role in this process, as their local representatives were more likely to find a compromise with the foreign enterprises, even against federal and/or republic-level or municipal-level directives. Moreover, it underlines how these “illegal” collaborations were diffused especially in the areas already afflicted by a deficiency of work forces.\textsuperscript{59}

If in part the development of uncontrolled channels of workers could be attributed to pre-existent migratory networks, the reasons for their flourishing under the control of the institutions which should hinder them, lie at the very core of the Yugoslav system, and in particular in the impact which the implementation of self-management with the reforms of 1965-1967 had on the Yugoslav labour market. How self-management influenced the relationship between emigration and working mobility within Yugoslavia is going to be discussed in the following section.

3. The “Deformation” of the Yugoslav Labour Market

If the debate on workers’ emigration proved that “in the 1960s, emigration was a disproportionately Croatian affair”,\textsuperscript{60} the economic reforms (1965–1967) caused deep changes to the Yugoslav patterns of emigration. Implemented with the declared aim to integrate Yugoslavia into the “international division of labour” of the developed world,\textsuperscript{61} the new economic system generated new emigration of unemployed, mainly peasants, from the south-eastern regions, until then almost excluded by workers’ emigration towards Europe.

Aiming at passing from an extensive to an intensive system of production, the new regulations introduced new taxation and price systems as well as the rationalisation of the state and associated labour sectors, which brought about a drastic reduction of new work places in non-agricultural sectors. The rate of unemployment among unskilled and semi-skilled workers from agricultural areas rapidly increased to exceed that of 1964.\textsuperscript{62}

To compensate for this cut and to try to alleviate the social sector from the pressure of

\begin{itemize}
  \item \textsuperscript{58} Novinščak, \textit{The Recruiting and Sending of Yugoslav Gastarbeiter to Germany}, p. 140. Ivanović, \textit{Geburtstag pišč na normalno,} pp. 120–123.
  \item \textsuperscript{59} AJ 142-II/480, Predsedništvo SKJ, Opunomočstvo PSKJ, Str.pov. br33-344/2, 9/3 MV.
  \item \textsuperscript{60} Zimmermann, \textit{Open Borders, Nonalignment and the Political Evolution of Yugoslavia}, p. 83. According to the Census of 1971 the Croats abroad were 4,426,221 or 33,4% of the total number of Yugoslavs abroad.
  \item \textsuperscript{61} Rusinow, \textit{The Yugoslav Experiment 1948-1974}, p. 319.
  \item \textsuperscript{62} Ibid, pp.203,204.
\end{itemize}
thousands of peasants, Yugoslav citizens were offered credits to become small private owners. However, the desired positive effects did not materialise. Partly years of propaganda, which had promoted industrial and urban values, had generated great expectations in the rural population, whose ideal of country life had lost much of its appeal.\textsuperscript{63} Partly the real possibility of reaching a satisfactory living standard in agriculture was compromised by the legal limit on land ownership (10 hectares) and the backward condition in which agricultural areas found themselves, with half-finished industrial projects which had gradually moved to centres with well-established export networks. This was for example the case of Bosnia. During the early Cold War, its mountainous areas were chosen for being a safe place to settle big industries. However, with détente these constructions were left half finished due to the lack of infrastructure which isolated them from the rest of the country.\textsuperscript{64} Thus, the economic duality between former Hapsburg and Ottoman territories persisted and even worsened.\textsuperscript{65} As investment departed, so did young people; some for the richest parts of the country but the majority for Europe.

Even if the economic reforms affected more severely the south eastern parts of the country, which in the seventies became the principal basin of workers’ emigration, which did not meant that emigration had ceased from the most developed republics. As the case of Croatia demonstrated, growing employment opportunities in Zagreb or other industrial and tourist centres did not necessarily stimulate internal migration within the republic. On the contrary, the pattern remained one of emigration abroad, as had occurred since the nineteenth century.\textsuperscript{66} Moreover, there was no guarantee that qualified workers would accept an ordinary job at home when they could find a better salary and conditions of work in nearby Europe.

At the beginning of the 1970s, the fact that emigration was flourishing, leaving unfilled job vacancies at home, was denounced by journalists\textsuperscript{67} as well as intensively discussed.

\textsuperscript{63} Ibid, p. 205.
\textsuperscript{66} Cfr. Ulf Brunnbauer, Labour Emigration from the Yugoslav Region, pp. 17-49.
by the political forces involved in the management of the migration process.68 If it was constantly repeated during the sessions of the SSRNJ and LCY that the precondition to bringing back (qualified) workers was to achieve economic stability in Yugoslavia and that to move in this direction the first step was to activate work mobility within the country, it was more problematic to understand how to prevent migration processes out of the country from encouraging internal migration, emigration still being a constitutive part of the plan of development (1971-1975).69

To understand the complexity of the relation between labour market and emigration in Yugoslavia, the report of a conference of the SSRNJ, held in Ljubljana in 1972 and devoted to the problems of the employment abroad, is useful. During this session, it was in particular the Slovenian delegation that lamented that whereas sending workers abroad generated a great deal of interest and initiatives, domestic migration drew little interest.70 The fact that this claim was posed by the most advanced republic, which had an extremely low rate of unemployment, deserves special attention.

In the early 1960s the principal basin of workers' emigration, Slovenia exhibited a low and steadily falling rate of emigration in the early 1970s. Thanks to long-lasting favourable economic conditions, it had even started to recruit workers from the other republics/provinces to fully satisfy the needs of its economic growth.71 Despite that, the work market in Slovenia was affected by “deformations which made it impossible that work mobility in Yugoslavia works as it should”.72 In particular, the Slovenian delegation lamented that workers from the Slovenian underdeveloped regions had no interest in moving towards industrial centres like Kranj, Ljubljana, Koper, where there were constant vacancies. Rather, they preferred to cross the border and work in Austria.73

As better salaries and conditions of work on the one side, and adequate and updated

information on job vacancies on the other, were identified as the main reasons for 
emigration and the non-return of (qualified) workers, several initiatives were carried out 
by local institutions in the areas where the lack of workers were most critical. For 
extime, supported by the Trade Union, Slovenian and Croatian enterprises offered 
better salaries to the qualified workers employed abroad who decided to come back to 
work at home. Other actions were carried out, especially during Christmas, to inform 
the workers visiting home about new possibilities of employment, favourable conditions 
for investment (tax cuts, custom duty) and other kinds of information to show them that 
they were welcome home.

However, if the activities to fulfil work vacancies were well-established at the Austro-
Yugoslav border, the exchange of information and job offer between republics/provinces 
was rather underdeveloped.

For example, a Montenegrin delegate illustrated how in his republic the migration of 
the unskilled workers to fulfil job vacancies in other parts of the country was discouraged 
on two grounds. Partly, without guarantees of employment and minimum living 
conditions, workers could often not save the minimum necessary to send something to 
their families. Partly it was the scarce cooperation between intercommunal agencies 
which did not create the conditions for the circulation of update information on job 
vacancies in real time. The result was that for Montenegrins employment abroad had 
greater advantages compared to a job inside the country.

Intervening on the (in)efficiency of the information services, a Croatian participant 
underlined that even more dramatic were the numerous cases of imprecise or even false 
information about work possibilities diffused among the Yugoslav workers abroad. 
Contradicting the dominant political discourse which identified the neprijateljska 
emigracija (political emigration) as the mind behind these cases to discredit the Yugoslav 
leadership abroad, he brought up two emblematic examples to demonstrate that it was 
not only the political emigration to be blamed for this but also and in particular 
organisation among the socio-political forces within the same republics/provinces.
The first regarded several Croat communes in which, according to the official gazette for the employment, 12,000 new work places were open, but to numerous unemployed and workers abroad responding the call, the work organisations answered that the new vacancies regarded the time span of the five year plan and that they need only 20 workers but they would not employ those either. The second case presented was that of the SSRN regional councils which, despite affirming in 1971 their commitment to ensuring dynamic development through a new strategy on the possibilities to open new work places, one year later did not come up with any result.⁷⁸

Significantly, these statements underlined that although the “deformities” attributed to the Yugoslav labour market were partly the result of past legacy, to a great extent they were also motivated by the evolution that the Yugoslav experiment underwent in the second half of the 1960s, after the liberal-decentralist coalition won over the conservative-centralist one. About the results of this transformation, Rusinow wrote:

> If Yugoslavia [...] was still far from the non-party socialist democracy based on direct social self-management to which the official ideology aspired, the regime had at least been transformed from a centralised party oligarchy into a kind of multi-storied polyarchy of particular and institutionalised regional and functional interests. This emerging polyarchy was also, however, so inchoate and ill-defined, with power so unevenly distributed within it, that it became increasingly and ominously difficult to say where effective primary power and therefore responsibility had found new homes.⁷⁹

The effects of this change involved migration policy too. As the self-management principles sanctioned in the 1963 Constitution said, similarly to all other economic and political aspects of society organisation, the questions related to workers’ emigration both at Home and abroad, involved all the Yugoslav socio-political bodies from the ground up. Accordingly, even if the federal apparatus kept power in foreign policy and thus negotiated the workers’ recruiting agreements with the host countries, its decisions had to be taken according to the direction given by the political bodies in the national/provincial and regional assembles, to be finally executed by the local administrations.

That meant for example, that the *Savezni Savet za Rad* (Federal Council for Labour) that

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⁷⁸ Pitanjima naših Radnika Zaposlenih u Inostranstvu, održanog 17 i 18 X 1972, Ljubljana, Oktobar 1972, 5.
  
participated in the workers’ emigration, providing expertise on employment (reporting on the migration processes and participating as counselor at the table of negotiations with the recruiting countries), had regular contact with its republic/provincial secretaries that had to identify what the pertinent problems to solve were. Similarly, the Savezni Biro za Zaposljavanje (The Federal Office for Employment) that carried out the employment policy abroad, based its activities on the guidelines given by the various local offices for employment that were under the authority of the Offices for Employment of the republics/provinces. Whereas the Federal Office had a special department which was in charge of seeking employment possibilities abroad and had to coordinate the exchange of information between the central Zavod za Zaposljavanje (Agency for the Employment) in Belgrade and the foreign partners, it was the responsibility of the local community offices to follow the procedure of employment of the workers in the foreign enterprise. The economic and political consequences this change implied for Yugoslav migration policy and in particular for the workers’ return is the key concern of the following section.

4. Self-Managing Migration or Migration of Self-Management?

4.1 The Economic Reforms and the Struggle for Remittances

Even if the principles of self-management were already widely adopted in the late 1950s and defined as constitutive elements of the Yugoslav system in the early 1960s, it was with the reforms of the second half of the 1960s that Kardelj’s idea of the “withering away” of the state made a big step further. In fact, as scholars underline, if the Constitution of 1963 sanctioned the victory of decentralisation in politics, it was only in the second half of the 1960s that the strong political resistance to adopt this doctrine in the economy was superseded. This change had a deep influence on the further development of workers’ emigration trends as well as on determining the condition for their return.

As mentioned before, the free market principles introduced by the reforms did not give

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the expected positive results but generated unemployment and hence prompted the Yugoslavs to seek work abroad. The south-eastern areas were the most affected. Nevertheless requests of a revised application of the new economic directives were widespread in the developed republics, where the supporters of the reforms were concentrated. Despite that, the Yugoslav leadership's conviction was that the market would impose a solution by itself and that the state apparatus should not intervene but let the decentralised socio-political forces regulate the new societal framework.

One of the outcomes of this approach was that the role which the federation played in the administration and distribution of economic founds was gradually reduced and substituted by a process of economic and financial power accumulation in the banks and credit institutes. In this way, the necessary accumulation of capital for the development of the country would be decentralised and “de-etatised” to be at the direct disposal of social needs.

In this context, the attention of the banks towards the Gastarbeiter's savings increased greatly. In order to ensure the inflow of remittances through institutional channels, Yugoslav banks were particularly active in promoting the opportunity to open an account in hard currency in the newspapers distributed among the Yugoslav abroad83 as well as approaching directly the workers at the borders on their way Home. This zeal was also the object of criticism by members of the LCY.84

Despite that and even if it was claimed that a big part of the Gastarbeiter's savings continued to be stored in foreign banks,85 this action seems to be quite successful as according to Yugoslav expert assessment the Gastarbeiter remittances sent to Yugoslavia had steadily grown since the middle of the 1960s (see table 3).

Nevertheless, who should decide on the use of these economic means was not clear and it became a reason for struggles among the Yugoslav centres of power, on which no single political body had the force to impose a decision ever since 1969.

Power by the late 1960s was nowhere and everywhere, in greater and smaller accumulations, creating a quasi-anarchy of diffused decision-making with reduced

83 For example, this was the case of the magazine Novosti iz Yugoslavije (News from Yugoslavia) in which numerous Yugoslav banks advertised the advantages available to people sending remittances through their subsidiaries.
84 AJ 142-II/480 Predsedništvo SKJ, Opunomoćstvo PSKJ, Str.pov. br33-344/2, 10/4 MA. See also: 01/10/1971 Rad, <Zimski Gosti> neće Obećanja.
responsibility (since anonymous power is irresponsible power) and a free-for-all scramble to collect the pieces. The one thing that was claiming the opposite since 1965, was that ‘the forces of self-management’ now said to suffering ‘a certain stagnation in development’, were not yet ready to pick them all up unaided. The interpretation of the Yugoslav leadership went in an opposite direction. Identifying the unsatisfactory economic results as the consequence of the incomplete adoption of self-management principles, the LCY Presidency sanctioned in 1970 that whereas the federal apparatus will continue to be responsible for foreign affairs and defence, as well as be the guarantor of a single economic system organised on the principle of ethnic equality, the sovereignty of the Yugoslav federation will be defined by the cooperation between its constitutive parts and namely, the republics and provinces. One of the goals was to impose a solution to the long-lasting controversy on the financing of the federal budget which started in the late 1960s. At the core of the question was the principle of solidarity between the Yugoslav nations, according to which the richest republics had to help the poorest ones in their process of development. As in the early 1970s the Yugoslav economic growth was almost completely sustained by foreign loans, frequent quarrels broke out because the provenance and distribution of federal sources were not regulated proportionally, according to the contribution to the federal budget of each republic/province. The peak of tension was reached in 1971 as the Croat mass movement claimed that whereas its remittances (mainly from tourism and Gastarbeiter) contributed enormously to feed the federal budget, the profit remaining in Belgrade banks or going to other less developed areas.

A solution came in December 1972 when the remittances system was de facto “federalised”. That meant not only that 10% of the total amount of remittances had to be given according to the rate of workers’ emigration of each republic/province but also that the adoption of laws on costumer duty, which foresaw a series of facilities to importing machineries and vehicles for the Gastarbeiter who decided to come back and invest in a small private business, were delineated by the federal apparatus but

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87 Ibid, p. 279.
91 Haberl, *Die Abwanderung von Arbeitskräften aus Jugoslawien*, p. 113.
implemented according to the decision taken by the republic/province’s assemblies.

If the attempt, as it was officially declared, was to support the development of the areas with high rates of emigration, it did not succeed. This was particularly the case of the south-eastern republics and provinces where, due to the late inclusion to the Western economic system, the amount from remittances available was still small. Nevertheless the situation of the underdeveloped regions within the developed ones was not much better. A principal reason can be attributed to the high rate of interest on foreign loan matured in years that brought Yugoslav banks to invest in the developed areas where conditions for fast profits were favourable.92 Put differently, the underdeveloped regions that were marked by bad planning, lack of infrastructure and specialised workers, made investments risky and unattractive and therefore projects in these areas were disregarded.93 However, political reasons played an important role too. The fast and full-opening to the free market was not counterbalanced by an elaboration of the effects which would follow for Yugoslav society and its workers abroad, who found on return their local communities reluctant and confused regarding their definitive return Home. The analysis of the unsolved dilemmas and principal attitudes regarding the workers return is going to be presented in the following section.

4.2 Self-Management and the Workers’ Return
 Unsolved Ideological Questions

A complementary part of the process of the decentralisation and de-etatisation of the Yugoslav society regarded the further development of the associated labour organisation. The Constitution of 1963 had established that all kind of socio-economic activities – from enterprises and economic business up to the non-profit services (medical care, education, social insurance etc...) – had to be controlled by the workers. This kind of administration envisaged that every time a group of workers associated to work together, they formed a Radna Organizacija (Work Organisation) which joining with other works organisations were represented in a Radna Zajednica (Work Community).94 However, what the Constitution left unclear was the way in which associated work could and should finance

92 Cfr. Pleština, Regional Development in Communist Yugoslavia.
93 With the exception of Montenegro, which unlike the other undeveloped republics/provinces, received constantly a proportionally higher rate of founds for development. See Pleština, Regional Development in Communist Yugoslavia.
94 Horvat, The Yugoslav Economic System, pp. 20,21. See also Jović, Yugoslavia a State that Withered Away, pp. 142,144.
itself, as state intervention had to be substituted by self-managing work unions.

As employment abroad had formed a sort of new class of citizens owing remittances and willing to invest in work places at home, the Yugoslav leadership adopted the law on stocks at the end of 1971 and an additional directive in 1972. The new regulation established legally the use of available private investment in hard currency by the sector of associated labour which was for the first time officially allowed to seek hard currency loans. To improve and increment their production, every work organisation (radna organizacija) could cash its savings in the hard currency of the Yugoslav citizens. Except for the restriction that the creditor could not be a legal entity or representative, the work union (radna zajednica) was free to determine the terms of exchange and to offer, beside the credit interest, other kinds of incentives to attract the remittances of the Yugoslavs abroad. Among the stimulative means, the most common was to offer the possibility “to buy a work place”. As lack of (continuous) work possibilities was among the principal reasons for emigration, the promise to hire the investor (the one giving remittances) or one of her/his family members, was rather attractive. In fact, this practice was commonly adopted by local communities, even before the regulation of 1971 and 1972, when it became officially legalised. However, the limits and modality with which these changes should be implemented were vividly and lengthily discussed by the Yugoslav socio-political bodies and found a “definitive” assessment only in the 1974 Constitution (art.28) and in the law on associated work in 1976 (art.91).

In the meantime, the local administrations interpreted and applied rather differently the directives given by the top, creating difficulties at self-managing the growing interest of the workers to invest in their community. Even if cases of successful investments were documented by the newspapers, much more numerous were the cases in which the gastarbajteri had to face discrimination and exaggerated controls in their attempt to find a job after return. This situation was well known to the political bodies that often

95 Baučić, Rückkehr und Reintegration, p. 99.
97 Baučić, Rückkehr und Reintegration, p. 99.
98 Baučić, Rückkehr und Reintegration, p. 99.
reported the need to put an end to the divergences of local practices from the federative and republics/provinces directives. The issue was even more dramatic when looking at the return of the qualified workers who, although necessary to the development of the country, were often discouraged to return because of the negative approach adopted by several work organisations toward their employment.

In general, however, it was the return of the unqualified workers which was seen as problematic. Partly because, in the case of the qualified workers problems were presented by their non-return. Partly in the case of the non-qualified workers problems arose precisely because of their return. In many ways it was the socio-economic environment from which they came and to which they returned which explains these differences.

First and foremost, unlike the qualified workers, the unskilled workers came mostly from underdeveloped areas where they had little to offer upon their return. If on the one hand the possibilities for investment were rare, on the other the savings and qualification the peasants obtained abroad could only be used to open small businesses, often not very profitable. Accordingly, in most of the cases the returnees represented only additional unemployment in the eyes of the local authorities, and a rival with privileges (as gastarbeiteri could buy a work place). Secondly, the local authorities often distrusted the gastarbeiteri’s capability and intention regarding the investment of their savings. According to communist ideology peasants were not proper communists and neither was their way of thinking. The preconceived idea of their presumed “lack of integrity” was emphasised after the permanence of the Gastarbeiter in capitalist countries from which they came back with consumer goods and new habits which, according to the principles of Capitalism, aimed at improving the personal living standards and not at benefiting society.

However as the next section will elaborate, it was from the gastarbeiteri themselves

100 AJ 142-II/480 Predsedništvo SKJ, Opunomoćstvo PSP, Str.pov. br33-344/2, 10/1 MA. Regarding the different attitude of the work organisations see also: 24/12/1971 Večernje Novosti, Posao zove iz Tudjine.
104 N.n, Samodoprinos iz Inostranstva, Politika, 22 May 1972.
that the most positive and successful initiative to create both development and possibilities for workers' reintegration was offered.

5. The Birth and Decline of a Promising Gastarbeiter’s Initiative. Devizne Fabrike (Remittances Factories)

The municipality Imotski, in the Dalmatian hinterland has always been known for being one of the most underdeveloped Croatian municipalities (the 100th of 106 according to the development rate) and for its high emigration rate (to each employed at home corresponded three abroad). In the late 1960s, its reputation of inveterate underdevelopment changed after it gave birth to a groundbreaking and successful experiment: the building of the first devizna fabrika (remittances factories).

In one of its mesne zajednice (the smallest Yugoslav administrative units), the village of Aržano, in 1967 a particular referendum took place. This per se was not something unusual as calling the community to discuss about the amount and the use of the individual contribution to the budget of the local administration was a common practice of Yugoslav self-management. However, what in this case was singular was that was the numerous gastarbajteri from the region to be called to declare whether they would be interested in investing their savings (from 250 up to 500 German Marks) in order to get a credit from the bank of Sarajevo and open a new textile factory which would became a new plant of the textile factory “Pionirka” settled in Imotski city in 1963.

The idea came from the local party member Božo Žaja who born in Aržano himself, was employed as post office director in Split. According to his accounts, the proposal was quite negatively judged in the institutional places he presented it because it was observed with mistrust and lack of creativity. These criticisms were submerged in 1970 by the great enthusiasm which followed the inauguration of the new Pionirka factory settled in Aržano where about 90 women from the region found employment.

The initial positive economic result of Pionirka generated a growing interest not only in

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105 Ivanović, Geburtstag pišeš normalno, p. 282.
106 For more details see Rusinow, The Yugoslav Experiment 1948-1974, p. 331.
109 Ivanović, Geburtstag pišeš normalno, p. 284.
the *gastarbajteri* but also in their local communities as it seemed that the *devizne fabrike* could offer not only employment for the returnees and their relatives but also for their local communities.\(^{110}\) Accordingly, as the number of the *gastarbajteri* willing to invest their savings grew up to 500 and the possibility to take part was offered also to the compatriots at Home -who instead of remittances could invest the respective amount of money in dinars- two new plants were built in the Imotski commune: one in Cista Velika in 1972 and the second in Cista Provo in 1974.\(^{111}\)

In the meantime the story of Aržano crossed the Croat borders giving rise to optimism in all Yugoslavia where attempts to export the "Pionirka model” were carried out. The first was the case of the manufactory "Polivinil” in Herzegovina that promoted a “call for remittances” in order to enlarge its production,\(^{112}\) example which was followed by the factory of pneumatics “Tigar” in Pirot (south-eastern Serbia).\(^{113}\) However, the total number of remittances factory projects implemented was only 14, much less than the initial confident expectations envisaged. Furthermore, among these, the majority were situated in Croatia and Bosnia Herzegovina, Serbia and Slovenia accomplished both only one endeavour each and the two provinces (Vojvodina and Kosovo) and Macedonia did not present any.\(^{114}\)

Actually, the deluding propulsive effect of the “Aržano model” in all of Yugoslavia went together with the gradual economic decline of the original remittances factories in Imotski where already in 1973 further projects started to stagnate. Interestingly, its decline started when the reputation of Pionirka was at its peak, thanks to the documentary film “Die Leute von Aržano” (The people from Aržano, 1974) by Robert Stengl who filmed the Imotski venture for the German public.\(^{115}\)

Reasons lay not in the lack of money, as *gastarbajteri* continued to be interested in giving their savings to have a work place.\(^{116}\) It was due to structural problems which

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\(^{111}\) Winterhagen, *Vom ‘Gastarbeiter’ zum ‘transnationalen’ Modernisierer”,* p. 61; See also Radovan Kovačević, *Poklanjan 500 Maraká*, *Politika*, 12 April 1972.


\(^{115}\) Haberl, *Die Abwanderung von Arbeitskräften aus Jugoslawien*, pp. 151,152.

impeded Pionirka from keeping continuous its rate of economic growth that engendered a rapid decline in interest of the local communities to try further in this direction. On the one side, this was the result of the already mentioned absence of a domestic market and lack of infrastructure, which made it difficult to find sufficient buyers for its products. On the other side, the low quality of its products could satisfy the domestic standard but failed to be competitive on the Western market to which Yugoslavia oriented its exports. However, looking at a long-term perspective two other factors turned out to be determinant in blocking the remittances factory planning: one was the intensification of the economic crisis in the West and the other was the coming new Yugoslav Constitution in 1974, whose combined effect would scupper the possibilities which the gastarbajiteri self-initiatives could have offered.

Conclusion

Elaborating on the Yugoslav migration policy at the turn of the 1960s and early 1970s, this article had sought to shed light on the question of the Yugoslav workers return which, despite being one of the pillars of the Yugoslav migration policy, has rarely been the topic of systematic research, especially in the field of history.

In the paper I have attempted to offer a succinct but comprehensive overview of the complexity of the workers' migration patterns and its legislation in socialist Yugoslavia in its early 1970s. Analysing primary sources—namely archival documentation, statistics and press material—related to the Yugoslav economic migration (and migration policy), and illustrating its interaction with the socio-economic and political context emerged by the study of the secondary literature, this article has developed the thesis that workers' emigration was initially caused by a deformed domestic worker mobility, and was later fostered by the absence of interest in creating a Yugoslav economic market. Accordingly, after ten years of institutionally-organised workers emigration the condition to reintegrate the workers abroad was even farer than before 1963.

Continuities and changes determined this unfavourable development.

Regarding continuities, this contribution has firstly outlined the influence of the labour

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organisation established under the dual rule of the Hapsburg kingdom and the Ottoman empire in the Balkan peninsula on the patterns of economic migration in socialist Yugoslavia. It has shown how for the territories part of the former –Croatia, Slovenia, Vojvodina– it meant earlier integration into the international division of labour in quantitative as well as qualitative terms. Differently, for the areas ruled by the Sublime Porte –Serbia, Macedonia, Montenegro, and Bosnia– it implied the persistence of a socio-economic organisation which did not go through industrialisation before WWII. Therefore, they maintained a predominant rural character and deepened their isolation from the western system until the late 1960s.

Regarding discontinuities, this paper has explained how debating the economic and political consequences which the great size workers emigration reached in the late 1960s, institutional actors evidenced difficulties in controlling and limiting this phenomenon that originated at the very core of the Yugoslav system. More precisely, the further implementation of self-management undertaken with the economic reforms of 1965 and 1967, engendered a new wave of emigration from the south-eastern regions, while the north-western ones tried to manage the positive and negative effects of a long-established emigration.

A portion of the text has been devoted to the analysis of the economic and political implications which the self-management of rather different regional and local experiences of migration had signified for the creation of the condition for the worker return and reintegration. To sum up, the general worsening of the economic condition in Yugoslavia has been individuate as the reason for the competition between republics and regions upon the use and distribution of the workers’ remittances. Moreover, it has been pointed out that banks, the principal investor already the 1970s, discarded the socialist principle of equal development in their activities. Entrusted by the leadership to create the necessary accumulation of capital for development, Yugoslav financial institutions did carry out a politics of quick and fast profits. The bad planning, lack of infrastructure and specialised workers which characterised the areas from which workers emigrated and to which wanted to return, made investments in the “basins of emigration” risky and unattractive and hence extremely infrequent.

In addition to this unfavourable economic condition, the hypothesis has been advanced that the worker return and reintegration was hindered by the negative attitude of local administrations too. On the one hand, the perception of the potential returnees as additional unemployment played undoubtedly an important role. On the other hand,
however, the Marxist negative criticisms against the peasants, who were overrepresented among the emigrants of the 1970s, could be ascribed as an influencing factor as well.

To conclude, to offer a closer view of the dynamics between Yugoslav workers plans of return and their communities of origin, the venture of the *devizne fabrike* (remittances factories) has been presented to demonstrate that, even in cases of strong enthusiasm and well-established collaboration between Yugoslav abroad and their village people, objective obstacles limited severely their propulsive potential against chronic underdevelopment.
Table 1

Yugoslavs abroad, 1971
(in percentages)

<table>
<thead>
<tr>
<th>By Republic</th>
<th>By Nationality</th>
</tr>
</thead>
<tbody>
<tr>
<td>Republic</td>
<td>% of Total Yugoslav Population</td>
</tr>
<tr>
<td>Bosnia-Herzegovina</td>
<td>18.3</td>
</tr>
<tr>
<td>Croatia</td>
<td>21.6</td>
</tr>
<tr>
<td>Macedonia</td>
<td>8</td>
</tr>
<tr>
<td>Montenegro</td>
<td>2.6</td>
</tr>
<tr>
<td>Slovenia</td>
<td>8.4</td>
</tr>
<tr>
<td>SR Serbia</td>
<td></td>
</tr>
<tr>
<td>Serbia Proper</td>
<td></td>
</tr>
<tr>
<td>Kosovo</td>
<td>6.1</td>
</tr>
<tr>
<td>Vojvodina</td>
<td>9.5</td>
</tr>
<tr>
<td>Total</td>
<td>100.1</td>
</tr>
</tbody>
</table>


Note: Percentage exceed 100 because of rounding
*Computation based on data of recipient countries
Table 2

**Workers departed**

*(in thousands)*

<table>
<thead>
<tr>
<th>Year</th>
<th>Total</th>
<th>Through the Office for the Employment</th>
<th>Not through the Office for the Employment</th>
<th>Total employed abroad</th>
</tr>
</thead>
<tbody>
<tr>
<td>Before1964</td>
<td>118</td>
<td>---</td>
<td>118</td>
<td>118</td>
</tr>
<tr>
<td>1964</td>
<td>20</td>
<td>15</td>
<td>5</td>
<td>138</td>
</tr>
<tr>
<td>1965</td>
<td>41</td>
<td>36</td>
<td>5</td>
<td>174</td>
</tr>
<tr>
<td>1966</td>
<td>110</td>
<td>55</td>
<td>55</td>
<td>275</td>
</tr>
<tr>
<td>1967</td>
<td>40</td>
<td>29</td>
<td>11</td>
<td>296</td>
</tr>
<tr>
<td>1968</td>
<td>124</td>
<td>70</td>
<td>54</td>
<td>401</td>
</tr>
<tr>
<td>1969</td>
<td>187</td>
<td>118</td>
<td>69</td>
<td>572</td>
</tr>
<tr>
<td>1970</td>
<td>225</td>
<td>125</td>
<td>100</td>
<td>783</td>
</tr>
<tr>
<td>1971</td>
<td>151</td>
<td>81</td>
<td>70</td>
<td>923</td>
</tr>
<tr>
<td>1972</td>
<td>108</td>
<td>56</td>
<td>52</td>
<td>1020</td>
</tr>
<tr>
<td>1973</td>
<td>103</td>
<td>73</td>
<td>30</td>
<td>1111</td>
</tr>
<tr>
<td>1974</td>
<td>20</td>
<td>9</td>
<td>11</td>
<td>1035</td>
</tr>
</tbody>
</table>

Table 3

Expert assessment of movements of foreign currency assets

<table>
<thead>
<tr>
<th>Year</th>
<th>Total number of workers abroad (approx.)</th>
<th>Total inflow of remittances in million of dollars</th>
<th>Total inflow of remittances for each worker in dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td>1964</td>
<td>138,000</td>
<td>30,4</td>
<td>220</td>
</tr>
<tr>
<td>1965</td>
<td>174,000</td>
<td>30,2</td>
<td>170</td>
</tr>
<tr>
<td>1966</td>
<td>275,000</td>
<td>64,0</td>
<td>230</td>
</tr>
<tr>
<td>1967</td>
<td>296,000</td>
<td>89,9</td>
<td>300</td>
</tr>
<tr>
<td>1968</td>
<td>401,000</td>
<td>122,2</td>
<td>300</td>
</tr>
<tr>
<td>1969</td>
<td>572,000</td>
<td>205,9</td>
<td>360</td>
</tr>
<tr>
<td>1970</td>
<td>783,000</td>
<td>440,6</td>
<td>566</td>
</tr>
<tr>
<td>1971</td>
<td>957,000</td>
<td>651,6</td>
<td>680</td>
</tr>
<tr>
<td>1972</td>
<td>over 960,000</td>
<td>ca. 800,0</td>
<td>ca. 820</td>
</tr>
</tbody>
</table>

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Secondary Literature


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  - Fond 557 *Savezni Komitet za rad i zapošljavanje* (Federal Committee for Labour and Employment)

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