

# THE SOCIOECONOMIC CIRCUMSTANCES IN YUGOSLAVIA, THE NON-GROWTH SYNDROME, AND AN URGE TO CONCEPTUALISE A NEW PLANNING APPROACH\*

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## INTRODUCTORY REMARK

The purpose of this concept is three-fold, viz.: first, to point to the most pressing socioeconomic and political problems of Yugoslavia; second, to emphasize the incapability within the existing institutional arrangements to undertake the otherwise needed institutional reforms; and third, to sketch a new approach that might be supportive to the overall transformation of society and its emancipation from the past and existing practices. The attention is focused to one of the key segments of the so-called 'societal guidance/governance cluster', i.e., development planning policy, although a number of general issues of societal management and control are also tackled.

## BRIEF NOTE ON THE EXISTING SOCIOECONOMIC AND POLITICAL CIRCUMSTANCES

In almost each and every respect, Yugoslav society has been in a deep social, economic and political crisis for more than a decade now. In general terms, the existing situation has resulted from an interplay of number of factors, broadly grouped into three sets: (i) An inappropriate reaction of Yugoslav political and economic elites to the collapse of socialism/communism and its regional repercussions. (ii) Poor domestic macroeconomic poli-

cies almost throughout the 1990s. (iii) Often dysfunctional policies of the international community with regard to the key problems in the Balkans, most notably manifested in the case of international sanctions towards FRY, and well as in occasional support to the most destructive actors in Yugoslavia and in some other countries in the region.

In a sense, as from the beginning of the 1990s the population of Yugoslavia has been exposed to an apart anthropological experiment in vivo, via a number of mis-events, viz.: huge human losses; breakdown of the SFRY; war; international sanctions; pauperisation, deprivation and austerity for the large majority of the population; organised crime; extremely high level of corruption in all strands of the society; NATO air strikes in the spring of 1999 (being, in effect, a 'dirty war' against the population, and in favour of the regime); people disempowered vis-à-vis an authoritarian regime, now heading for an open dictatorship; etc.

Some key characteristics of the existing situation read as follows:

- (i) Extremely high rate of unemployment, effectively around 50% (despite a large number of people employed in the shadow economy, in recent years reaching up to 40% of the total GDP).
- (ii) Sharp decline of absolute and relative GDP

over the recent decade, e.g., GDP p.c. not exceeding 1200 USD in 1999, which is a mark well below 1/2 of that from the end of 1980s.

(iii) Total foreign debt of USD 12.25 billion, i.e., 96% of the GDP (1999).

(iv) Obsolete structure of a large part of the economy, in technological, market, and other terms.

(v) Up to one million refugees into the FRY.

(vi) Devastating 'brain drain' in the 1990s, estimated at few hundred thousand people, mostly young, vital, well educated and dynamic.

(vii) All key health, education, social care and demographic indicators worsened.

(viii) Extreme social polarisation: pauperisation of the majority of population (the poor: 2/3 of the total); and social, economic and political rise of the nouveau riche (the rich or extremely rich: 3-5% of the total).

(ix) Deep crisis of public finances: a dearth in public revenues, unfavourable structure of public expenditures, etc.

(x) Spatial (regional, territorial...) distribution of development worsened.

(xi) Disproportionally high level of spatio-ecological pollution and degradation - as compared with the reached level of socioeconomic development.

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(xii) Poor condition of all technical infrastructure (as a consequence of low level of investments in the 1990s).

(xiii) Low level and unfavourable structure of public and private investments in the 1990s.

(xiv) Dearth of foreign financial and other resources for domestic development purposes.

In effect, despite the existing legal provisions, social, economic and political reforms have been suspended for a number of years now. The steps which have so far been undertaken to that end, do not satisfy the relevant criteria. In sum, only rudimentary 'retouches' have been done, thereby withholding the changes at the 'proto' level only, which applies to all key sectors, i.e., privatisation, marketisation, and political pluralisation/democratisation.

The recent NATO air strikes have only added to the otherwise miserable conditions, thus causing a number of direct and indirect material damages and ecological disasters, as well as many 'collateral damages', viz.:

(i) Part of comparative advantages and development chances lost.

(ii) Further loss of democracy.

(iii) Chauvinism and nationalism strengthened.

(iv) Xenophobia and anti-European stance increased.

(v) Public domain narrowed.

(vi) Increased manipulation, most notably in the case of the existing non-growth syndrome versus the official pro-growth rhetoric and booster imagery.

(viii) Repression increased.

(ix) Maneuvering space for the transition reforms narrowed, making the restructuring more expensive and difficult.

(x) 'Warfare state' still not dismantled - policing and militarisation of the society strengthened.

(xi) Cultural and historical identity of the society well undermined.

(xii) All-pervasive apathy among the majority of social strata.

### **A CRISIS OF DEVELOPMENT PLANNING POLICY**

Despite nominal reforms of the institutional settings which have been undertaken in the 1990s in the sphere of development planning policy, this segment cannot be deemed appropriately reformed. In effect, there has been a deep crisis in this field as well, caused by many factors. The key factors of the kind

stem from the existing political power structure, which manifests itself in a specific way in the realm of development planning policy. Another key aspect has to do with the problem of a number of public interests lost. Finally, many of planning powers stem from the state, and, consequently, the state's role(s) disputed also implies the planning's role(s) disputed. The problems in question could be recognised at various levels, namely, at theoretical, heuristic, and practical.

At the theoretical level, the existing development planning policy practice could be approximated by means of a number of the theoretical modes known. In effect, specific elements from all key planning policy doctrines could be recognised (yet without a proper rectitude of respective genuine concepts), viz.:

(i) Libertarian planning dominates the political and expert scene, as a specific manifestation of the wide-spread anti-planning/constructivism stance (being preached primarily by the mainstream economists, either of the neoliberal provenience, or of the neoinstitutional one).

(ii) Many scraps from traditional theoretical paradigms are also being 'recycled', though in a strange way, viz.: social reform, policy analysis and related doctrines (rationalist, comprehensive/synoptic, incrementalist, strategic/developmental, implementation-oriented, etc.), social learning/transactive, progressive/advocacy, negotiative, radical, etc.

(iii) There has also been a number of newly emerging paradigms, notably, sustainable development, communicative/collaborative planning, and ecological/environmental planning.

At the heuristic level, as from the end of the 1980s the planning policy authorities seem to have been practising two dominant modes, although one more has also been tried occasionally, at least in nominal terms, viz.:

(i) What dominates 'on the surface' may be described as 'crisis management planning', which equals 'making the ends meet', implying that a number of key long term issues have been grossly neglected by that means.

(ii) In social, economic and political terms, the existing institutional arrangements in the development planning policy realm seem to have been usurped and instrumentalised as a support to 'wild' privatisation and 'proto' marketisation, thereby acting as the key redistribution mechanism to the benefit of the newly emerging interest groups who profit most under such 'imperfect' circumstances.

(iii) Only in statu nascendi is now the third mode, i.e., a veritably transformative planning, otherwise the most necessitated from the standpoint of the long term needs.

As from the beginning of 1990s, the former 'p(l)andemonium' of selfmanagement planning (a fairly decentralised model, as compared to the other 'p(l)andemonium' of the GOSPLAN-like model of planning that used to dominate in other socialist/communist countries) has been abandoned. Particularly, the system of socio-economic planning was dismantled and consequent practice collapsed, not to be substituted as yet by a new planning practice of the 'market' era. Now, one may easily recognise a somewhat 'eclectic' approach. Namely, at the practical level, some few hundred various plans or related development policy documents (macroeconomic policy documents, socioeconomic development plans, urban development plans, spatial plans, environmental policy documents, specific sectoral programmes and projects) that have been prepared in Yugoslavia in the 1990s seem to prove a wide accepted notion that the majority of such documents may well serve many various missions, though legitimate, other than the development planning policy documents 'proper' use to do, viz.:

(i) Back-covering for private appropriation of public goods.

(ii) 'Something is being done'.

(iii) Countering criticisms.

(iv) Establishing 'mere' development planning policy information support.

(v) 'Mere' monitoring of changes.

(vi) Plans/policies as catalysts/generators of ideas.

(vii) Plans/policies as bargaining devices.

(viii) Arena for debate - defining the problem agenda and a common understanding thereof.

(ix) Putting the things above the board - legalising previously illegal or illegitimate undertakings.

(x) Least noticeable are those development documents which fulfill a definition of the planning activity sui generis, i.e., as an activity in the public domain, aimed at an organised way of resolving some non-standard problem, via a strategy for whose implementation towards a selected number of agreed-upon aims/goals/objectives/targets, political support as well as other resources needed are available...

## **THE CRUX OF THE PROBLEM: INAPPROPRIATE POWER STRUCTURE FOR THE CASE OF A TRANSFORMATION OF THE SOCIETY**

Both as a legacy of the former ideological and political system (i), and as a result of the events in the first phase of the transition period (ii), the power structure that underlies the planning practice is grossly inappropriate from the standpoint of the mid and long term goals of the post-communist/socialist transformation of society. Specifically in planning, it assumes only one of the facets mirroring the power structure pattern which dominates the entire political scene.

A general pattern of the so-called 're-active/coercive' power ('power over') dominates in the society at large. In many respects, this pattern is not compatible with the development of a democratic/pluralist, and predominantly market- and private property-based society. Its specific manifestations are:

- (i) Use of force (though more psychic than physical).
- (ii) The prevalence of 'poor' forms of authority (i.e., coercive authority, false authority, etc.).
- (iii) All-pervasive manipulation on the part of the regime, as well as on the part of some other political actors.
- (iv) Widely practised paternalism and clientelism in the (re)distribution of practically all scarce resources.

In addition to these, there has also been a widespread disregard of the law, practised at large by many organisations, institutions and citizens.

A strong departure is needed towards those power structure arrangements which would be more supportive to the overall democratic transformation of the society. Consequently, new planning approaches are also needed, that would be capable of supporting such trends, by means of some other power relations. In general, more of the so-called 'co/pro-active' power ('power over') is needed, broadly based on cooperation, partnership, compromise, and consensus. Particular forms of power relations are needed here, viz.:

- (i) The use of persuasion as a dominant pattern is of a decisive importance for the success of new modernising societal projects in each and every field of societal life.
- (ii) 'Good' forms of authority (e.g., legitimate authority, authority of competence and professional expertise, personal authority, etc.) are also expected to be helpful to that end.

(iii) Physical force would be acceptable only in those cases when the undisputed public interests and private property cannot be protected by means of other measures.

(iv) Consequently, a new balance should be sought for in the 'triangle' power - knowledge - (planning) action. In general, knowledge base in development planning policy should be broadened and improved, by introducing more of the 'layman' knowledge, as well as by appropriately combining it with the 'scientific' knowledge of experts.

(v) A new dialogue should be introduced among various experts, and the fora/arenas for that sake established, and the now predominant extremisms/escapisms removed, viz.: economism in socioeconomic planning policy (grossly practised by economist in the first place); physicalism in spatial and urban planning (architects and physico-geographers leading the way in the field); and ecologism in environmental policy and planning (widely applied by ecologists, biologists, 'general environmentalists', and many other natural scientists).

## **THE PROBLEM OF PUBLIC INTEREST IN DEVELOPMENT POLICY/PLANNING**

Another key source of delegitimisation of development planning policy has to do with the notion of public interest in planning policy, an otherwise often ill-defined concept, i.e., for an 'unspecified' client. In a sense, this represents a legacy of the former political and ideological system, within which the so-called 'social ownership', the key legitimisation base of ('socialist') public interests, took supremacy over all other forms of property. Whatever the general case, however, almost all former socialist/communist public interests have obviously collapsed at the very beginning of the new era, thereby disturbing broader social, political and economic legitimising base of planning policy, as well as its ethical foundations and value background. At the same time, an enormous number of new legitimate individual interest came to the surface (some of which were previously hidden for various, mostly political and ideological reasons), and many of them have been competing for the status of new public interest(s). Thus, the basis dilemma appeared, as to which interests do really represent public purposes, condensed in the key question: partial or general? Concerning this, one may well notice that the 'fight' is not over whatsoever, and that 'public interests' appear under many various names, e.g.:

- (i) As 'general public opinion'.

(ii) As a 'sum' of the most numerous interests at some point of time.

(iii) As an amorphous 'bundle' of current particular compromises.

(iv) As the interests of the most vociferous and/or powerful and/or 'would-be-winners'.

(v) As veritable interests of the overwhelming majority of actors, acceptable to 'all'.

(vi) As potential interests of the disadvantaged/disempowered/deprived (now pre-vaillingly apathetic and dormant public).

## **THE STATE'S ROLE(S) DISPUTED**

At the beginning of the transition period in Yugoslavia, many hopes were laid down into a new state. No doubt, the socialist/communist state was seen to be dismantled, and, in the wake of overall deregulation, more market-based decisions were sought for. At the same time and for obvious reasons, however, there was a strong conviction among many experts and politician about an urge to also develop appropriate institutional arrangements to approximate a 'post-communist/socialist welfare state', at least as an 'asymptotic ideal' to tend to. Contrary to such early expectations, ten years later, under the circumstances of a deep overall crisis, people face many problems concerning the existing, an eminently pre-modern and authoritarian state. In effect, such an institutional 'entity' represents an apart and retrogressed assemblage of disparate elements from various historical models known, viz.:

- (i) The public goods state.
- (ii) The macroeconomic stabilisation state.
- (iii) The development state.
- (iv) The social rights state.
- (v) The socialist/communist state.
- (vi) The state of early/initial post-communist/socialist 'capitalist accumulation'.
- (vii) The 'warfare state'.

## **CONCLUDING REFLECTIONS - Summary of the shortcomings and constraints of the existing planning/policy system and practice, and an outline of a new planning policy concept**

In short, the shortcomings and constraints of the existing planning/policy system and practice could be summarised as follows:

- (i) Lack of sound theoretical and general methodological background.
- (ii) Suspended reforms of the institutional settings.

- (iii) Wide-spread anti-planning stance: economism/liberalism, physicalism and ecologism.
- (iv) Poor coalitions for the planning/policy case and the collapse of the former public interests: legitimisation, role(s) and mission lost.
- (v) Mis-direction: support for 'wild' privatisation and marketisation, counter to the needs of a veritable transformation.
- (vi) Effective collapse of socioeconomic planning (esp. at the regional/local levels), and no substitution sightable.
- (vii) Poor coordination between socioeconomic planning/policy, spatial/urban planning, and environmental policy.
- (viii) Undeveloped implementation devices.
- (ix) Insufficient knowledge/information base on the existing circumstances (esp. on the absorptive spatio-ecological capacity and thresholds).
- (x) Poor knowledge on development options, and a non-rigour in their ex ante evaluation.
- (xi) Rudimentarily developed methodology of planning/policy in a plural society.
- (xii) Inadequate education for planning/policy in a plural society.
- (xiii) Over-centralisation of the planning/policy system.
- (xiv) Weak democratic strands of the planning practice in terms of its openness, transparency and participation/partnership.
- (xv) Inadequate power structure relations in development planning and policy.
- (xvi) Unclear role of the state in the post-communist/socialist planning/policy, and its weak support for the institutional reform of development planning and policy.

Apparently, a general theory of democratic development planning policy is not possible. This is the very reason for which attention is

directed here to the level of heuristics of planning policy. Namely, it is this level which could appropriately 'bridge' the gap between abstract theoretical notions on planning, on the one hand, and some practical approaches, on the other. Now, talking planning is not 'in' among the majority of experts in Yugoslavia. Yet, a belief could strongly be supported that the theme of planning policy is likely to come to the political and expert agenda in the nearest future. This seems obvious as the supreme political and expert mantras of transition ('privatisation', 'marketisation', 'privatisation', 'de-planification', 'spontaneity', 'deregulation'/de-etatisation', etc.) are being more frequently abandoned in their early and oversimplified ('pure'/perfect') forms now. To that end, a new 'societal contract' on planning policy is needed, as well as a number of steps to support the dialogue on the key issues, viz.:

- (i) Fora/arenas for dialogue.
- (ii) Agenda-setting.
- (iii) Mission and role of development planning policy, relative to other key mechanisms (i.e., market, various general and sectoral policies, state regulations, societal norms, etc.).
- (iv) Broad societal consensus on the key development goals and available and acceptable implementation devices.
- (v) 'Coalitions and networks for development planning policy' - societal actors who are interested in the matter to be located (as there is no 'general' need for planning among different social strata, let alone the mere fact that even many planners 'quit lobbying for the case of planning').

A tentative framework and concept for a new ('post-communist/socialist') planning is also sketched here, comprising a number of heuristic principles and criteria for such

planning policy to satisfy, as follows:

- (i) Supporting political democracy and complex societal transformation, modernisation and emancipation.
- (ii) Basis model/'starting point': planning-cum-market/market-cum-planning.
- (iii) Pro-active/promotive-cum-re-active/restrictive.
- (iv) Problem-oriented and selective, focused to the: 'plannable', 'restricted planning domain', 'regulated/planned deregulation'...
- (v) Sustainable spatial and urban development centred, with a number of pertinent socioeconomic development and environmental protection issues subsumed under the umbrella of the former.
- (vi) More rigorous in terms of planning evaluation: combining ex ante, ex post and ex continuo approaches.
- (vii) Implementation-oriented: harnessing all implementation devices available, for the problem agenda and objectives agreed-upon.
- (viii) Open, transparent and participative.
- (ix) As much as possible partnership-, compromise- and consensus-based.
- (x) Fairly decentralised, yet with a number of centralised powers maintained, so that the transition reforms could be properly undertaken, directed, programmed, and managed.
- (xi) Balanced: 'sociocratic'-and-'technocratic', expertise and 'layman' knowledge combined, etc.
- (xii) Plans+programmes+projects: pertinent programmes and projects, as the key implementation devices and support, to be subsumed under the strategic planning policy schemes and frameworks.