

## LEARNING FROM THE PAST: YOUTH EXPECTATIONS VS. YOUTH REALITY IN YUGOSLAVIA

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### Abstract

During the 60's and 70's Yugoslavia dramatically increased their subcontracting relations with the West and thus changed the scope of industrialization that has been redesigned to mainly serve the production of export goods. Alongside a heavy reliance on foreign loans, Yugoslav leadership opted for educational reforms with the aim to: 1) create an abundant low- and semi-skilled workforce suitable for the labor intensive exports of semi-finished goods 2) procure a voiceless and inert youth so that the preservation of the regime remained unquestioned and the leadership unchallenged. What is more, the inexistence of a genuine job market failed to identify the mismatch between the requirements of the labor demand and the profile of the labor supply which mainly consisted of unemployed youth between the age of eighteen and twenty five. The rising youth unemployment fomented a heavy family dependence that in turn bore critical implications in all socio-psychological aspects of youth development. The Yugoslav movie "Beach Guard in Winter" (1976) by Goran Pasjkaljevic and the character of Dragan powerfully resonate these and will be hereby used to illustrate the pervasive role of family in all domains of youth life. The work ultimately demonstrates that the mass-production of characters like Dragan in the 70's and the 80's proved detrimental to the transformation process of Yugoslav successor states in the 90's and, at the same time, calls for learning the lessons from the past so that economic and political freefalls are avoided in the future.

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**Keywords:** Youth unemployment, labor market distortion, Yugoslav economy, family dependence, Yugoslav movie, transition

### Introduction

The youth of Yugoslavia enthusiastically welcomed socialism and the modernization of an emerging political-economic power in Europe. The staunch belief in orthodox Marxism and the rise of a fair and egalitarian society gave youth the confidence in a prosperous future and equal prospects for success and career development. Thriving youth went on to pursue specializations and education in the field of interest, firmly believing that this would eventually secure them economic and family independence. The neutrality status of the country at the same time, meant securing peace and development of an open society eager to cooperate with and benefit from both the Eastern and Western block, whereas serve as a socio-political benchmark for the economically deprived third world.

By downsizing the catalog of choices and field of action for young Yugoslavs, on the contrary, the Party bureaucracy produced a pool of apathetic and passive youth so that the preservation of the regime remained unquestioned and the leadership unchallenged. An interdisciplinary distillation of this phenomenon will identify instruments used by policy makers to restrain from and deprive youth of social actions and employment opportunities

along with the accompanying short-term and long-term effects on this population. A particular light will be shed on educational loopholes causing and a stark family dependence produced by the long-term unemployment among first-job seekers under the age of twenty five. The paper will, therefore, center on aforementioned causes and implications of youth unemployment and how these translated in the Yugoslav movie “Beach Guard in Winter” (1976) by Goran Paskaljevic. Paskaljevic quite explicitly attacks the lack of job availability for and income dependency of the youth now forced to rely on family connections rather than on the personally acquired human capital. Such connections appear to be prevalent and far beyond the scope of education and employment as it ultimately fueled parents’ interference in the most personal matters of their children to the point of disturbance and mischievousness. These are all brought into life by the character of Dragan whose faith stands out as a powerful counterfactual to what the system was initially expected to deliver.

### **The Socio- Economic Context**

The Yugoslav model of market socialism and enterprise self-management stood out as a unique exception to mainstream socialist command economies typical of the USSR and its Central European satellite states. Namely, upon the divorce from the COMECON in 1948, the leadership of Yugoslavia under Josip Broz Tito undertook major economic restructuring featuring radical reforms that encompassed a major shift to decentralization as a cure for inefficiencies of the central planning. Maximization of profits became enterprises’ main goal, market relationships were established among firms, prices served as allocative functions, and profits were used as a budget for new investments. However, independent of the attempts for decentralization and employees’ self-organization, bureaucratic coordination persisted in various forms of state interference and imprudent macro policies that hampered coherence at the micro level. Illustrative is the case of enterprise managers who were only appointed from above i.e. the inexistence of a genuine job market for managers. These managers were stern cronies of the Communist Party, most of whom, lacking managerial experience or sufficient expertise in the organization of the firm and its operational activities.

As an end result, produced was a what Kornai terms as dual-dependence (Kornai|1986; p. 1699) i.e. a combination of vertical dependence on bureaucracy and horizontal dependence on suppliers and customer with a stark prevalence of the former over the latter. These multilevel interferences created bottlenecks in the inputs-supply chain, among which, the most marked was the distortion in the labor demand- supply ratio resulting in both hidden and open unemployment, the latter most common to young first-job seekers at the age between fifteen and twenty five. Evocative of this, the majority of the unemployed after 1971 were youth under the age of twenty-five, usually without work experience or claim to compensation; they accounted for almost 80 percent of the rise in unemployment between 1972 and 1983 (Primorae and Charette | 1987; p. 193). According to Woodward (1995; p. 207), the increasing displacement of the costs of unemployment onto the younger generation was beyond any doubt by 1985, when 59.6 percent of the registered unemployed were under the age of twenty-five.

### **The Demographic and Educational Burden to Youth Employability**

The phenomenon of perpetuating high unemployment rates among the youth was coupled with two additional features of rather exogenous character, nevertheless, deemed as unfavorable factors to the already limited opportunities of the youth. The Post- World War II period of 1946-1964 is widely known as the baby-boomers period when birth rates reached high levels on a global scale. Once soldiers were repatriated and economies consolidated, the U.S. Canada, Australia, the UK, and almost all Western European countries, starting from 1946 and all the way to mid 60’s, saw an upsurge in birth rates that laid the foundations for

economic prosperity and technological development in the 80's and 90's. However, the demographic boom did not have the same effect in socialist Yugoslavia. Indicative of this is the fact that in 1950, the cumulative livebirths per 1000 inhabitants at FRY level was 30.3 as opposed to nearly halved proportion during the interwar period<sup>33</sup>. Yet, interesting to note is that regional discrepancies in birth rates went hand in hand with later regional distribution of unemployment. Put in other words, according to the same statistics, the higher livebirths ratio of 40.3 and 46.1 in 1950 in the regions of Macedonia and Kosovo respectively, translated into higher unemployment rates amounting to 25% in both countries later in 1973<sup>34</sup> as opposed to the low unemployment level of 1.8% in Slovenia for the same year<sup>35</sup>.

Schierup (1992) identifies additional hindrance to youth employability conceived as the immediate side-product of what she refers as “the pervasive reorientation of the educational system during the late 1970s under which an industrial labor force started to be formed” to meet the purposes of rapid industrialization and modernization of the Yugoslav society. Indispensable is to note, however, that by sub-contracting with Western firms for manufacturing and delivery of semi- finished goods that required the abundance of cheap and low-skilled labor, this industrialization, indeed, proved retrograde to the technological development and modernization of the capital. That being said, an entire army of semi-qualified and poorly educated workers was produced to serve the needs of a fertile resource and manufacturing YU center providing supplies of labor-intensive goods to the industrially and technologically developed West with a high human and technologically- advanced capital. Adhering to Smith's maxim on why would someone “attempt to make at home what it will cost him more to make than to buy” (Smith | 1904)? Yugoslavia was importing back finished Western goods with a significant amount of added value, instead of focusing on and investing in its own research and development; this way, shaping country's status as a laggard in modernization and technological upgrade. This propensity towards engaging in contracting with Western firms made Yugoslav economy highly vulnerable to global economic crisis which resulted in contagious inflationary shocks, soaring unemployment, and high indebtedness with the IMF in late 70's and early 80's.

Back to the educational reform and alongside the need for narrowly specialized labor, enacted was an educational program that limited the numbers of students in the higher academic education at the expense of a short-term education directed towards skilled industrial employment fostering early specialization “in extremely narrowly delimited subjects directed towards specific categories of jobs“ (Schierup | 1992) and preventing employee mobility in the long run. Youth unemployment can, therefore, be seen as a reflection of the malfunction of educational systems, not answering the demands of certain groups of young people, nor the demands of the changing labor markets as a result of the inert and inflexible Yugoslav system where change was rarely incorporated and taken into consideration. As quite justifiably asserted in the CDPS report, “young people who face the highest risk of long-term unemployment [were] to a certain extent 'produced' by the selection processes in primary and secondary education” (1995/96) as was the case with the young population of Yugoslavia whose common destiny would be best represented in the character of Dragan in “The Beach Guard in Winter”.

### **Socio-Psychological Implications and the Role of Kinship Relations**

Faced with the inability of finding a permanent workplace and, thus, securing regular incomes, Yugoslav youth was forced to rely on housing and existential allowance provided by the family which role was now increasing and touching upon the most private matters

<sup>33</sup> Demographic Research Center, Belgrade 1974. p. 14.

<sup>34</sup> Woodward, Susan L. (1995). *Socialist Unemployment: The Political Economy of Yugoslavia, 1945- 1990*

<sup>35</sup> In 1950, Slovenia had 24.4 livebirths per 1000 inhabitants according to the Demographic Research Center

such as marriage and parenthood. “Just like his peer 200 years ago a young person cannot lean on any other institution than his own family background” (Zupanov | 1981, p. 1953). Eye-witnessing the reality of youth and the insidious nature of family interference produced by the all-encompassing anomalies in the socio-political and education system in Titoist Yugoslavia, Goran Paskaljevic masterly painted the social landscape and everyday life of the youth in “The Beach Guard in Winter” filmed in 1976. The movie quite explicitly attacks the lack of job availability for and income dependency of the youth now forced to rely on family connections rather than on the personally acquired human capital, such was the case with the main protagonist Dragan. In the long run, these connections appear to be prevalent and far beyond the scope of education and employment with parents’ interference in the most personal matters of their children to the point of distress and mischievousness; as was the unfortunate case with Dragan and his wife Ljubica who later became victims of inter-family animosity and imprudent parental intrusion.

Namely, Dragan is a young unemployed son of a Railway officer and a nosey housewife, all living in a dilapidating house at the outskirts of Belgrade near the City Railway station. Dragan has finished a Secondary Technical School for Leather Processing Industries i.e. “средно кожарско” which does not seem to correlate with the real labor demand for specialized workers in this field. Paskaljevic on few occasions illustrates this friction and mismatch between school curricula and the demand for qualifications, by having number of potential employers telling Dragan that the school diploma from the Secondary Lather School is worth nothing and that he would be never able to find a job according to the specialization acquired.

This fact has recruited Dragan’s closest family members in the job search where Dragan has a little say and is forced to accept whatever is available and on the offer. The rivalry between family members emerges as the retrace on who provides the better job opportunity develops. Dragan’s aunt and father are among the most engaged job seekers on behalf of Dragan, using their personal connections with friends and acquaintances in the form of barter. Dragan’s temporary job positions range from providing iron and laundry services as a substitute of the regular employer that is on a maternity leave, to auto mechanics position at a local auto service shop. Important to note is that for none of the positions obtained, there is an existing formal labor market where people compete and are hired according to the skills they possess. It all revolves around kinship and friendship relationships where competence is highly disregarded and considered irrelevant, parallel to the disregarded importance of quality in goods and services at the macroeconomic level.

The economic dependence and high family reliance produced additional drawbacks at the level of personal development of the young individual. Strpic (1988; p.39-40) argued that the system eventually procured “suitable servants and subjects-non-creative, uncritical, unfit for high productivity, self-organisation and social action”. Paskaljevic well-exemplifies this assertion in the character of Dragan who markedly lacks self- confidence and determination to succeed in life. Moreover, Dragan appears indifferent to matters concerning his life leaving room for his parents to craft his future and take care of his wellbeing. This care is so extreme that appears identical to the one provided in early childhood as depicted by 20-year-old Dragan sleeping in the same bed with his father before Dragan’s wedding, or the childlike feeding ritual on the Eve of Dragan’s divorce.

The passive nature of Dragan and the youth in general, allows the onset of the most intimidating interference by parents. The aunt appears on the first date of Dragan and Ljubica and subsequently stays nearby in their first intimate moments. The exaggerated caring nature of the aunt is also depicted in the bathing scene before Dragan’s wedding celebration when Dragan is compelled to leave the improvised bath tub in front of the eyes of his aunt. His father’s stern commitment to share men’s advice with his son does not prevent him to

interrupt Dragan in the first night with his spouse and remain behind doors should his son needs further father's "assistance". Dragan's mother undertakes the role of a safeguard of Dragan and Ljubica's marriage, keeping foes away that, paradoxically, materialize in Ljubica's parents.

Dragan eventually finds shelter from family intervention in the Beach shed where he is appointed to seasonally work as a Beach guard during the six months of winter. Him and his wife Ljubica lead a modest, however, happy life, away from external influence and omnipresent pressures. This harmony and love is, however, disrupted by the visit of the two families who again stood in between the young spouses and contributed to their separation reaffirming the indispensability of family control and dependence produced by highly intertwined factors at both micro and macro level.

## **Conclusion**

In conclusion, the Yugoslav experiment in a more relaxed and flexible socialism exhibited significant shortcomings in all spheres of governance. This unconventional hybrid of bureaucratic and market coordination failed to deliver anticipated results as well as the much needed reform for sustainability in technological and economic development. Indeed, the growing labor segmentation and the increasing demand for low-skilled manufacturing power was detrimental for the marginalization of depressed intelligentsia and the procurement of inactive youth. These negative externalities drew roots particularly from the imprudent economic and social policies of the Yugoslav leadership insisting on extensive industrial development for manufacturing purposes as the utmost priority and the only strategic option. The emergence of wicked social norms and the limited field of action as a result, severely affected youth that in turn deteriorated adding towards the systematic failure of the regime in the coming years.

This work entailed the identification of discrepancies in the labor market division and its long-term implications on youth that a decade later had to undertake the role of the social and economic reformer of societies in transition. The mass-production of characters like Dragan in the 70's and the 80's proved detrimental to the transformation process in the 90's that exhibited severe delays and added to the economic drag still observable today. The much retarded transition process bearing the burden of contiguous stagnation and omnipresent negative externalities such as:

- lack of foreign direct investment due to political instability and government interference;

- low propensity to self-employment and undertaking entrepreneurial risk as a result of a long tradition of paternalistic "care" provided by the socialist system;

- abundance of low-skilled and inflexible labor unwilling to opt for occupational mobility and requalify according to the new labor demand;

- meager incentives to exit from unemployment in part due to high social benefits for the unemployed; and the most alarming of all,

- the intensive brain-drain of high-skilled human capital consisting of mainly high-qualified youth which knowledge and expertise could serve as the greatest asset to increased job creation and long-term development at home;

poses the question on how to stabilize in times of nearly two-decade transitional delay reflecting meanwhile on the lessons from the past? This question requires additional research and will fall within the scope of a subsequent work; however, the underlined roots and inciters to both the dissolution of Yugoslavia and the perpetuated effect on the delays in transition of post-Yugoslav countries today must not be disregarded or unconsidered.

Having the opportunity to resonate extensively on successfully transformed economies in Central and Eastern Europe and well-integrated NMSs, where the accumulation of high-skilled and socially active human capital proved to be the most distinctive factor conducive

of growth and development, Yugoslav successor states, particularly those from the Western Balkan space, should unlock rather than suppress the potential of the youth. Indeed, this is the cornerstone for their long-sought economic prosperity, sustainable development, and prospective integration with the West.

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