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# ECONOMIC POLICY IN SOCIALIST YUGOSLAVIA

RUDOLF BIĆANIĆ

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# Foreword

Rudolf Bićanić was to the study of Yugoslav economic conditions and policy as Pigou was to Marshallian economics: he infused it with a social consciousness generated by his innate humanitarianism, and fostered by his early experiences.

Born in 1905 in Bjelovar (Croatia), he was initiated into the harsher realities of economics with the world depression: after completing law studies in Zagreb and Paris he sold his not inconsiderable collection of books in a vain effort to staunch his father's bankruptcy. From that time on, he became active in the Croat Peasant Party, but incurred a term of imprisonment (1932-5) when found in possession of a stock of pamphlets condemning King Alexander's personal rule. He described that goal as his most formative influence, collaborating there with his fellow-prisoner, the Croat leader Macek, on a new economic and social programme for the Peasant Party. Released after the king's assassination, Bicanic devoted his time as political activist and journalist to the study of the poorest rural regions of the country: travelling mostly on foot, he crossed the Dinaric Alps from Split, and from intimate knowledge of the villages of Dalmatinska Zagora could entitle his first book Kako zivi narod (How the People Live) in 1936. His next study, Ekonomska podloga Hrvatskog pitanja (The Economic Foundation of the Croatian Question) of 1938, which went to the heart of the economic and political duality of Yugoslav development and which was forthwith banned, was among the influences conducing to the admission of the Peasant Party to the government in the following year. Under that coalition, Bićanić became director of the Yugoslav Board for Foreign Trade; the negotiations he undertook included a mission to the Soviet Union and a meeting with Mikoyan. When the German invasion forced the government to take refuge in London, he accompanied it as deputy governor of the National Bank but declared against the Royalist faction and for the Partisans in 1942. He thus held office in

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#### FOREWORD

the Tito-Šubašić administration in liberated Belgrade but soon preferred the new Chair of Economic Policy in the Law Faculty of Zagreb, which he occupied from 1946 until his death in 1968. Again, though under a radically different government, his research incurred official disapproval and, unable to publish his studies of contemporary economic policy, he turned to economic history. *Doba manufakture u Hrvatskoj* (The Early Factory Period in Croatia) was criticized on its appearance in 1951 for being insufficiently marxist, but he maintained his interpretation for the drafts, never completed, of two further volumes, devoted respectively to the industrial revolution and to nineteenth-century economic thought in Croatia.

The change in the intellectual climate of the mid-fifties found him more anxious to re-enter the contemporary field than to devote himself to history; articles in local, European and American journals made him the most internationally known of Yugoslav economists. In 1962 his book Ekonomska politika FNR7 (Economic Policy of the Yugoslav Federation) confirmed that reputation in his own country. Two sabbatical years in the United States (University of Texas at Austin, and Center for Advanced Studies in Behavioral Sciences at Palo Alto), and lectures and conferences from Oxford to Melbourne and from Tokyo to Caracas, brought his wisdom and warmth to countless audiences in economics faculties and their students, but he made ample time both for his own pupils at Zagreb, many of whom now hold senior posts in Yugoslav ministries and universities, and for two further books, published in English - Planning, East and West (1966) and Turning Points in Economic Development (posthumous, 1972). His last article, published after his death with its conclusions only as abbreviated notes, was characteristically on 'The Unity of the Yugoslav Economy', and he wrote all but two of the chapters of the present book, which was completed by his colleague of a quarter-century, Marijan Hanzeković, Professor of Economics at Zagreb University, and edited by Dubravko Matko of the Institute of Soviet and East European Studies, University of Glasgow. The contribution of his English-born wife, Sonia, docent in the Faculty of Philosophy at Zagreb University, was as important in giving this book its final form as was her intellectual and moral encouragement throughout the vicissitudes of the postwar years. St Antony's College, Oxford MICHAEL KASER