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The House that Market Socialism Built:
Reform, Consumption and Inequality in Socialist
Yugoslavia

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Abstract

Scholars have argued that Eastern European socialist regimes found themselves forced to compete with the capitalist consumerist model showcased in West Germany in order to maintain their legitimacy in the eyes of the population. Yugoslavia, however, did decide to prioritize consumer needs and scrap central planning in favor of a consumer-driven economy. How did these economic reforms fare? Focusing on the formulation of housing policy, its marketing, and its reception in the press, this study sheds light on the possibility of consumer-driven reforms in a socialist state. Although the economic policies and priorities pursued starting in 1957 yielded a general increase in personal consumption, these increases were not equitably shared in the area of housing, with unskilled and semiskilled workers being left in the cold. This fact was ideologically problematic for a regime whose legitimacy was founded on the promise of an egalitarian workers' society. Rather than pulling back to more controlled economic conditions, policy-makers pushed forwards with even more radical liberalizing reforms, which they justified with the promise of greater equality through increased access to personal consumption. However, popular opinion disapproved of these reforms, because it perceived that they only benefited a privileged stratum of the population. In response, policy-makers did not retract the reforms, but merely buffered the margins of this consumer society – discarding the idea of luxury housing as politically unacceptable, and adopting a program of social housing for those shut out of the housing market.

Keywords

Yugoslavia, housing policy, consumption, state socialism, economic reform, social inequality.

*The House that Market Socialism Built:
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Introduction

The issue of consumption in European socialist countries has, of late, garnered a significant amount of attention. Scholars such as Ina Merkel, Judd Stietzel, Andre Steiner, Eli Rubin (on the GDR), David Crowley, Malgorzata Mazurek and Matthew Hilton (on Poland), Paulina Bren (on Czechoslovakia), Ferenc Hammer (on Hungary), Stephen Lovell, Lewis Siegelbaum and Susan Reid (on the USSR) have carved out a space for the study of consumption in state socialism, showing that in spite of being economies of shortage, socialist consumer markets were the site of an incredible diversity of practices, including conspicuous consumption.²

¹ The research for this paper was supported by a doctoral grant from the Social Science and Humanities Research Council of Canada.

² Paulina Bren, "Weekend getaways : the chata, the tramp and the politics of private life in post-1968 Czechoslovakia " in *Socialist spaces : sites of everyday life in the Eastern Bloc*, ed. David Crowley and Susan E. Reid (Oxford, 2002), David Crowley, "Warsaw interiors : the public life of private spaces, 1949-65 " in *Socialist spaces : sites of everyday life in the Eastern Bloc*, ed. David Crowley and Susan E. Reid (Oxford, 2002), Ferenc Hammer, "Sartorial Manoeuvres in the Dusk: Blue Jeans in Socialist Hungary," in *Citizenship and Consumption*, ed. Kate Soper and Frank Trentmann (Houndmills, 2008), Stephen Lovell, *Summerfolk: a History of the Dacha, 1710-2000* (Ithaca, 2003), Malgorzata Mazurek and Matthew Hilton, "Consumerism, Solidarity and Communism: Consumer Protection and the Consumer Movement in Poland," *Journal of Contemporary History* 42 (2007), Ina Merkel, "Consumer Culture in the GDR, or How the Struggle for Antimodernity was Lost on the Battleground of Consumer Culture," in *Getting and Spending: European and American Consumer Societies in the Twentieth Century*, ed. Susan Strasser, Charles McGovern, and Matthias Judt (Washington, 1998), Katherine Pence, "'A World in Miniature': the Leipzig Trade Fairs in the 1950s and East German Consumer Citizenship," in *Consuming Germany in the Cold War*, ed. David F. Crew (Oxford, 2003), Susan E. Reid, "Cold War in the Kitchen: Gender and the De-Stalinization of Consumer Taste in the Soviet Union under Krushchev," *Slavic Review* (2002), Eli Ruben, "The Order of Substitutes: Plastic Consumer Goods in the Volkswirtschaft and Everyday Domestic Life in the GDR," in *Consuming Germany in the Cold War*, ed. David F. Crew (Oxford, 2003), Lewis Siegelbaum, *Cars for Comrades: the Life of the Soviet Automobile* (Ithaca, 2008), Judd Stietzel, "On the Seam Between Socialism and Capitalism: East German Fashion Shows," in *Consuming Germany in the Cold War*, ed. David F. Crew (Oxford, 2003).

Scholars of countries that became socialist after the Second World War have argued that socialist regimes found themselves forced to compete with the capitalist consumerist model showcased in West Germany in order to maintain their legitimacy in the eyes of the population. They have further shown that, although these regimes made efforts to excel in the production of consumer products, they were unable to meet consumer needs. This failure has been attributed to the regime's reluctance to prioritize consumer needs over capital investments, as well as on its unwillingness to relinquish central planning in order to let consumer signals guide production. As Andre Steiner has argued in the case of the GDR, even if such states had wished to allow their economies to respond to consumer needs, they could not tolerate the political instability that resulted from the liberalization of prices – trapped, as it were, by their own promises to keep consumer prices low. It has been further argued that this failure ultimately led to the total discrediting of these regimes and the events of 1989.³

So what if a socialist state had acted differently – what if it had decided to prioritize consumer needs and scrap central planning in favor of a consumer-driven economy? Contrary to what one might think, this is not a counterfactual argument: one socialist state did opt for such an approach – Tito's Yugoslavia, starting in 1957. Personal consumption went from being last on the list of priorities to occupy the middle position in the social plan for 1957-1961, which set out the economic goals for this period.⁴ It would shortly rise to be the top priority. Moreover, starting in 1957 and culminating with the major reforms of July 1965, Yugoslav policy-makers discarded the central planning system, replacing it with a form of indicative planning, and eventually with a kind of market system, in which enterprises, although in the vast majority still socially owned, vied for clients. As a result, in contrast to the queues and empty shelves that were common in the Eastern Bloc, shops in Yugoslavia overflowed with products, both domestic and foreign, common and luxurious.

Yugoslavia was still a socialist country, with a one-party state, social ownership of production, and a Marxist program of social and economic transformation. How did this change in priorities and these economic reforms fare in such a context? Did the prioritization of consumption and the new role of consumer preference in guiding the economy produce happy consumer-citizens? Or did these citizens reject the liberalization of the market, which effectively led to serious price increases in 1965?

From an ideological perspective, consumption's new prescribed role in the economy also created a certain number of conundrums – how were these dealt with? One major such problem was that of harmonizing consumption and consumer culture with socialist values which, in spite of appearances, had not been discarded. Patrick Patterson has described, for example, the dilemmas of developing a marketing industry when marketing was seen by Marxists as the artificial creation of illusory needs.⁵ His research suggests that these tensions were never truly resolved, hobbling the marketing industry's self-confidence.

This paper deals with another such problem, one that brings into question the collective memory of Yugoslavia in the 1960s as a golden age of consumerism. This was the conflict that emerged between the goals of consumer-driven economic

³ This argument has been made by Victoria de Grazia in *Irresistible Empire: America's Advance through twentieth century Europe*. Cambridge, 2005.

⁴ Ljubo Sirc, *The Yugoslav Economy under Self-Management*. London: MacMillan, 1979, p. 36.

⁵ Patrick Hyder Patterson. "The New Class: Consumer Culture Under Socialism and the Unmaking of the Yugoslav Dream, 1945--1991." University of Michigan, 2001.

modernization and the creation of an egalitarian workers' state, as seen through the lens of housing reforms and their impact on the housing economy in Belgrade.

Although studies of consumption in Eastern Europe have tended to focus on disposable goods, such as clothing, plastic goods and home furnishings, focusing on a costly durable good such as housing offers a useful corrective to the image of a society of abundance in the 1960s in Yugoslavia. Whereas everyone could take part in the consumer feast of food items, clothing, and home furnishings, the acquisition of a home was a costly proposal, and one that was not within everyone's reach. At the same time, it was a more essential good than many of the consumer goods that became readily available, making it a good barometer of inequality. The visibility of inequality in housing, in turn, turned it into a litmus test by which the press and the population assessed the outcomes of consumer policy and economic reform.

Looking at the interplay between policy-makers and opinion-makers – or more precisely, the formulation of policy, its marketing, and its reception in the press, this study yields four useful conclusions about the possibility of consumer-driven reforms in a socialist state. The first is that, although the economic policies and priorities pursued starting in 1957 yielded a general increase in personal consumption, these increases were not equitably shared in the area of housing, with unskilled and semiskilled workers being left in the cold. The second is that this fact was ideologically problematic for a regime whose legitimacy was founded on the promise of an egalitarian workers' society. The third, surprising, conclusion is that policy-makers, rather than pulling back to more controlled economic conditions as had been done in the GDR, pushed forwards with even more radical liberalizing reforms, which they justified with the promise of greater equality through increased access to personal consumption. The fourth conclusion is that popular opinion disapproved of these reforms, because it perceived that, far from creating equal consumer opportunities for all, they only benefited a privileged stratum of the population. This assertion of socialist morality did not lead policy-makers to retract the reforms, but merely to buffer the margins of this consumer society – discarding the idea of luxury housing as politically unacceptable, and adopting a program of social housing for those shut out of the housing market.

This analysis is based on a variety of published materials, including statistical yearbooks, studies of the housing system, and newspapers – in particular the entire 5-year run of the weekly newspaper *Beogradska Nedelja*, published between 1961 and 1966. It also makes use of the minutes of Belgrade's city council meetings, as well as the collections of the Belgrade urban planning office.

This study deals with policies adopted by various levels of government – especially the federal and municipal. For the purposes of this study, I do not preoccupy myself with the identity of policymakers at the federal level, which is where economic policy was formulated, and ignore any potential cleavages that might have separated different camps. I do not mean to imply by this that such a single-minded entity as “the state” actually existed, but a detailed consideration of the different actors and their points of view is not necessary to address the issues in which I am interested. There is a general consensus that economic policy was formulated by a small number of thinkers in Tito's entourage, especially Edvard Kardelj and Vladimir Bakarić.

Socialist Consumption: the Egalitarian Model (1944-1955)

Tito's regime, like most other communist regimes in Eastern Europe and throughout the world, started out with two central goals. The first was to create an egalitarian society based on the idea of a workers' state, and the other was to industrialize the economy in order to make such a state possible. In Yugoslavia's case, Tito and his top decision-makers were also motivated by a conviction that Yugoslavia needed to industrialize in order to end its perpetually subordinate position within the European economy. Given Yugoslavia's largely rural character, the idea was less to end the exploitation of the working class by the capitalist class, than to end Yugoslavia's exploitation by Western Europe.

As the Communist Party of Yugoslavia consolidated its power at the end of the Second World War and into the late 1940s, Yugoslavia's federal government, which it controlled, passed various laws and regulations relating to housing. Through this legislation, the new socialist policymakers expressed their understanding of the role of housing in the capitalist system, and their desire to transform its role in order to bring it into line with their twin goals of industrialization and creating an egalitarian society.

In the interests of industrialization, investment into housing, like other consumer goods, had to be strictly limited. Indeed, according to Ljubo Sirc's calculation, consumption more or less stagnated in the period between 1948 and 1955, actually decreasing in 1950 and 1952, and only growing by an average of 2% per year in the entire period.⁶ In the city of Belgrade, for instance, after an initial period of intensive construction, the purpose of which was to replace some of the buildings destroyed in the war – 40,000 homes had been damaged and 11,000 completely destroyed in the course of two aerial bombardments – the number of apartments built each year stabilized at approximately 1200-1300 per year between 1950 and 1953, in spite of the fact that the population was increasing by an average of 18,800 new inhabitants per year.⁷ This came to an average of about one new apartment per 15 new inhabitants.

The cost of housing was also kept artificially low in order to keep wages down, which would also facilitate industrialization, as well as the militarization that appeared necessary following the break between Tito and Stalin in 1948. Thus, immediately after the war, rents were frozen at half their 1939 levels and were then increased in 1952 to their 1939 levels. The inflation of the dinar after the war further devalued rents in relation to incomes. While a workers' family of four was spending 33.6% of their income on rent in 1938, in 1946, it spent 5.3%, a proportion that continued to fall at least until 1958, when it dropped to 2.4%.⁸ The level of rents, both in new and old apartment buildings, did not reflect the cost of maintaining buildings or of amortizing them. Analysts later explained this policy by claiming that policymakers had defined housing as a "social" consumer good rather than an economic one.⁹ It does not follow, however, that the state subsidized the remaining cost of maintaining and building housing. In practice, it refrained from substantial investments in this area. The low cost

⁶ Based on Ljubo Sirc, *The Yugoslav Economy*, p. 240-241.

⁷ The estimates of homes destroyed in the war were taken from IAB, FSGB, *Zapisnici sednice NO Grada Beograda*, 17.10.1968, p. 53. For data on the population, see "13.4 Stalno stanovništvo Beograda po stanbenim zajednicama i samostalnim naseljima," *Statistički godišnjak grada Beograda 1969*, p. 153; For number of apartments built per year, "6.4 Broj i površina izgradjenih stanova po godinama," *Ibid.*, p. 87.

⁸ Jack C. Fisher, "City Planning and Administration in Yugoslavia," *Urban Affairs Quarterly*, vol. 1, no. 2, December, 1965, p. 68.

⁹ *Ibid.*, p. 67.

of rent simply therefore translated into insufficient funding for maintenance and construction.

In the interest of creating an egalitarian workers' state, they opted to limit the rights of landowners and keep control of the production, ownership and distribution of all new housing. Contrary to common misperceptions, the authorities actually never sought to abolish private ownership of real estate. This is in contrast to the private ownership of business, which they very rapidly eliminated, first through confiscation and then through nationalization, with a few exceptions in the service sector.¹⁰ They did however seek to limit real estate ownership. Socialist policymakers' views of housing were strongly influenced by the Marxist interpretation of the role of real estate in a capitalist society. Namely, the ownership of real estate provided a means for a privileged class to exploit the working class without contributing in any way to the economy, by renting housing to workers for profit.

The authorities moved gradually to eradicate this form of exploitation by limiting, rather than eliminating, the rights of real estate owners. The government's seizure of the right to set rents, noted above, had the additional benefit of preventing building owners from enriching themselves at the cost of the working class. Real estate owners' ability to profit from their property was further limited in 1953, when buildings containing more than two large apartments or three small apartments were subjected to the new system of self-management. Putting the management of apartment buildings into the hands of their inhabitants, this development meant that building owners retained only the right to perceive a percentage of rents and the right to sell or give their property. Finally, in 1958, such buildings were nationalized. Each Yugoslav continued to have the right, however, to own and occupy a building containing a maximum of two large apartments or three small ones, as such a building was thought to correspond to the traditional Balkan family home.

Because of the dire housing shortage in some urban centers, like Belgrade, local authorities further infringed on private property rights by decree, compelling households that were judged to have a surplus of space to share their accommodations with other households in exchange for rent. This, however, was an expedient that was considered undesirable in the long run.

While policymakers did not oppose private ownership of real estate per se, they did not seek to encourage its spread. Rather, they created a system in which the state, and later the social sector, would finance and own the majority of new housing, and control its distribution. Construction was at first financed through the state budget, as well as by employers who were pressured to build housing for their workers. The distribution of housing was designed to promote the goals of egalitarianism. Employers would assign apartments in buildings that they owned on the basis of a variety of factors, including need, the size of the household, and seniority in the workplace. Local housing boards were responsible for distributing the older housing stock owned by the state, much of which it had confiscated from collaborators after the war, largely on the basis of need. This system theoretically insured that need and precedence would be the only criteria for obtaining housing and for determining the type of apartment obtained.

Beyond serving an egalitarian agenda of consumption according to one's needs, this activity of assigning apartments reinforced the state's power. As Katherine Verdery has

¹⁰ Momčilo Mitrović has provided a good overview of nationalization policy in "Nacionalizacija u Srbiji I hladni rat," *Velike sile i male države u hladnom ratu 1945 1955 – slučaj Jugoslavije*. Beograd: Arhiv Srbije i Crne Gore, 2005.

pointed out, the socialist state's function in redistributing resources was one of its major sources of power, because of its role in creating a network of patron-client relationships.¹¹ Given the chronic shortage of housing, local officials and workplace housing boards were in a very powerful position. Interestingly, housing was one of the few consumer goods that was distributed through the workplace. In Yugoslavia, other consumer goods were available for purchase in retail outlets and markets that were accessible to all.

The formal introduction of self-management in 1953 provided an extra justification for increasing the proportion of housing that was socially owned (social ownership having formally replaced state ownership). The new ideology proclaimed that, in a truly socialist country, workers, henceforth known as "producers," should run their own factories through elected workers' councils. This system would also be applied to the "non-economic" sector – which included schools, hospitals, the civil service, etc. – and all other dimensions of organized social and political life, including the government of the country and of apartment buildings. In this way of thinking, the self-management of housing presupposed social ownership of housing, just as self-management in the factory required its social ownership.¹²

The involvement of state actors in shaping housing production also reflected this egalitarian program. Technocrats such as architects and urban planners sought to produce models and concepts for standardized apartments, buildings and even settlements that could be reproduced all over the country. Several competitions were held to find the best possible design for an apartment, largely defined as one that maximized the use of resources – especially space and building materials.¹³

Although the desire to create an egalitarian workers' state was a major force behind housing policy, it did not produce very egalitarian results in practice. Namely, whereas all employees were obliged to contribute a percentage of their income towards the construction of housing, only a small proportion obtained an apartment.¹⁴ Making matters worse, the lucky few were not always chosen according to need and precedence. Although they were not supposed to do so, employers used apartments to lure scarce skilled labor and management to their enterprises. Those who obtained apartments were further privileged in relation to those who didn't because rents set by the state were subsidized and thus substantially lower than the cost of subletting or building one's own home. These trends were not unique to Yugoslav socialism, but common also to Eastern Bloc countries, as Ivan Szelenyi documented in *Urban Inequalities Under State Socialism*.¹⁵

¹¹ Katherine Verdery. *What was Socialism, and What Comes Next?*, Princeton studies in culture/power/history. Princeton, NJ: Princeton University Press, 1996.

¹² Svetislav Arandelović. *Stambena Svojina u Jugoslaviji*. Beograd: Institut društvenih nauka, 1967.

¹³ See, for example, "Rezultati konkursa za izradu tipskih stanbenih zgrada u Beogradu," *20. Oktobar*, 14 March 1947.; "Iskoristimo što bolje prostor pri gradnji većih stanova," *20. Oktobar*, 28 March 1947.; "Najmanji i najjeftiniji stan sa više udobnosti," *20. Oktobar*, 18 July 1947, "Problem racionalnog stana," *20. Oktobar*, 11 July 1947.

¹⁴ Svetislav Arandelović. *Stambena Svojina u Jugoslaviji*, 37.

¹⁵ Ivan Szelenyi. *Urban Inequalities Under State Socialism*. Oxford; New York: Oxford University Press, 1983.

First steps towards reform: 1955-1964

In the years following the war and up until the second half of the 1950s, policymakers had pursued the twin goals of economic development and the creation of an egalitarian society with equal intensity. However, following the normalization of relationships with the Soviet Union, which lessened the pressure towards military investments, and the formal introduction of workers' self-management, they began to change their approach to economic development, increasing investments into the production of consumer goods at the expense of capital investments. The idea was that workers would be motivated to work harder by the fantasy of consumption. This principle was enshrined in the new system of self-management, as self-managed enterprises kept a large proportion of their income, after the collection of various taxes.

The idea that consumption would drive the housing economy was ushered in gradually. First, policy makers prioritized consumption, arguing that the prospect of enjoying consumer goods would encourage workers to increase the productivity of their enterprises, because it would reflect on their personal earnings. Consumption, in other words, would be the new engine of economic development. Second, they instituted locally-based Funds for Housing Construction, which collected workers' earnings in order to reinvest them into the construction of homes.

The precursor to the reforms in the housing sector was the decision in 1957 to make increasing the standard of living a more serious priority. Raising the standard of living meant increasing the production of consumer goods and increasing the population's purchasing power. Until that time, economic policymakers had opted to keep consumption as low as possible, in order to finance the cost of industrialization and militarization. In July 1955, Tito indicated in a speech in Karlovac that the state would reduce its capital investments, and increase its investments into the production of consumer goods. Later that year, at the plenum of the Executive committee of the Central Committee of the League of Communists of Yugoslavia, Tito established the necessity of investing in increasing the standard of living, a reorientation that was reflected in the 1957-1961 social plan. Whereas increasing the standard of living had achieved only fourth and last place among the goals of the 1948 five year plan, by 1964, it had moved to first place.¹⁶ As a result, consumption increased by an average of 8.5% per year between 1957 and 1964.¹⁷

The opportunity to consume was not just a reward that the state would bestow upon the working class for having remained loyal; it was an integral motor of the economy. Workers would finance their heightened consumption through increased productivity. At the 2nd party plenum of 1959, Mijalko Todorović justified this shift by stating that workers were motivated to be more productive by the dream of consuming more.¹⁸ This was not a new idea: economic policy-maker Edvard Kardelj had been arguing since at least 1947 that workers would be motivated to work harder by the prospect of being paid according to their productivity, translating increased effort into a higher standard of living.¹⁹ While this was a hollow promise in a context of shortage of consumer goods, the decision to increase their production gave it new vigor.

¹⁶ Predrag Marković, "Ideologija standarda Jugoslovenskog režima 1948-1965." *Tokovi Istorije*, no. 1-2 (1996): 7-20, pp. 14-16.

¹⁷ Ljubo Sirc, *The Yugoslav Economy*, p. 240-142.

¹⁸ Predrag Marković, "Ideologija standarda Jugoslovenskog režima 1948-1965," pp. 14-16.

¹⁹ Susan Woodward, *Socialist Unemployment*, p. 141.

The new approach suggested a way of resolving the housing crisis, if only housing could be treated as a consumer good like any other. After subsidizing the cost of housing for all these years, policymakers suddenly sought to transform housing from a social good to an economic good, which meant putting the housing economy on a sound financial footing. In 1955, Funds for Housing Construction were created in select Yugoslav cities, including Belgrade. According to this new system for financing housing, workers would contribute 4% of their wages to these funds. Because they were locally-based, policymakers believed they would provide an incentive for local government and firms to pursue economic development and productivity, as local income would translate into increases in local welfare.

The reforms of 1959 institutionalized this practice on a national scale. Additionally, these reforms raised rents to reflect the cost of amortization and maintenance, ensuring the reproduction of the housing stock. They also introduced a new concept: the idea that people could purchase a new apartment through a subscription system. For the first time, policymakers actively sought to mobilize personal savings in order to increase the housing stock.

After a few years, it became apparent that this new system favored certain strata of the population over others, suggesting that these reforms were compromising the goal of creating an egalitarian workers' state. Although people may not have initially understood their personal difficulties in finding a home as a consequence of inequality, or articulated their wish for a home as a desire for equality, the press framed this issue as a problem of equality, perhaps because it was the only discourse that was available for discussing such matters. This, in turn, affected the ways in which ordinary workers articulated their grievances.

Attacks on inequality first surfaced in the press in the context of the construction of apartments. In the newspaper *Beogradska Nedelja*, Živorad Živković was the most vocal writer on this topic. In September 1961, he pointed out that only 5.2% of apartments built in the first half of that year had been in the most affordable category, category IV. Apartments in this period were classified in four standard categories, with category I apartments using the highest quality materials and having the most luxurious amenities, and category IV apartments being the most basic. Živković denounced the fact that the majority of apartments built had been category II apartments, an irresponsible choice in view of the chronic shortage of housing. He asserted that two category IV apartments could be built for the cost of producing one category II apartment.

Initially, Živković held off from blaming housing policy. Instead, he faulted urban planners for obstructing the production of affordable apartments, noting that the city council itself had called for their mass production.²⁰ Urban planners were an easy target. They were often accused of only aspiring to build luxurious, cutting-edge and expensive housing, and that of exhibiting passive resistance to avoid building more modest homes. They were consequently frequently blamed for the dearth of inexpensive new housing. One reporter, for example, complained: “no one is asking urban planners to build [inexpensive apartments] in New Belgrade [the new city center], [...] but why can't they lower their expectations in the periphery of the city?”²¹

Far from inconveniencing policymakers, this articulation of the problem played into their hands. In response, they could reaffirm the importance of bringing consumption

²⁰ “Zašto se ne gradi jeftini stanovi,” *Beogradska Nedelja*, 24 sept 1961.

²¹ “Krov nad glavom,” *Beogradska Nedelja*, 4 nov 1962.

into line with real productivity. Momčilo Marković, a member of the Federal Executive Council, appeared to reiterate Živković's criticism when he stated that "we are building apartments that are more expensive than what our standard and national income can allow." He put pressure on urban planners to lower their requirements in order to bring down the cost of apartments.²²

However, other articulations of the problem were potentially more threatening. In a later article, Živković accused the state of having set up a system that systematically discriminated against workers. He opened dramatically:

In our city, every third apartment is NEWLY BUILT. [...] [From 1946] to the first day of January of the year, 48,064 new apartments were built.
Only 3,460 workers moved into a new apartment.
Of each 100 keys, workers obtained SEVEN.
Of every thousand, but SEVENTY.²³

If workers were not getting apartments, who was? "That's right." Živković answered, "those apartments were obtained by specialists, we resolved THE CADRE PROBLEM, the apartments were obtained by those upon which production depends the most."

He added that certain workers were penalized more than others. Certain economic branches, such as the textile industry, construction, the leather and shoe industry, the wood industry, hostelry and retail commerce, contributed much larger sums to the Funds for Housing Construction than they received. Construction workers, for example, paid 730 million dinars into the Fund, and retrieved only 31 million dinars. According to Živković, firms working in large-scale commerce, import-export and electrical energy faced no such problems. Small firms were also discriminated against. They had paid 1,200 million dinars and had only retrieved 200,000 dinars.

Živković also noted that corruption was a problem, suggesting that some workers' council members had managed to convince the councils to invest in building luxury apartments, which they then moved into. "These apartments were used by people who have enough money."

Once again raising the issue of the overproduction of costly apartments, this time, he condemned policy in no uncertain terms: "There are no valid arguments to justify such a housing policy."

An article the following November suggests that Živković was not just stirring up trouble, but was rather expressing commonly shared frustrations. The municipal committee of the communist party, in collaboration with other organizations, had invited the employees of 18 firms in Belgrade to send in their questions, addressed to their local political leaders. The 1,885 resulting questions indicated that workers were most preoccupied by "food, apartments, the cost of transportation, in other words, the price of consumer goods in general." The author of the article noted that workers in small companies sought a greater share in the apartments built, and that workers in large factories expressed frustration that management was getting most of the apartments.²⁴

Živković's article was, in effect, an attack on the Funds for Housing Construction introduced in 1955 in Belgrade and throughout Yugoslavia in 1959, which had been a first effort to rationalize the production of housing and encourage local economic

²² "Prednosti jeftini stanova," *Beogradska Nedelja*, 30 dec 1962.

²³ "Na ruke tvorcima stambene politike," *Beogradska Nedelja*, 24 march 1963. Emphasis is in the next.

²⁴ "Ekonomске cene ekonomske plate," *Beogradska Nedelja*, 3 November 1963.

development. Setting aside anomalies like corruption, this system had led to the preferential treatment of managers, as they were the most valuable for production. Moreover, even if allocations from the Fund for Housing Construction were corrected so that they were proportional to contributions, employees in more profitable economic sectors would still have access to more housing funding than their counterparts in less profitable sectors.

Market Socialism and the promise of equal opportunity – 1964-1965

When attacking the Funds for Housing Construction, Živković did not follow with any prescriptions. If he had, it would have been logical for him to advocate a return to the old system of budgetary financing, in which housing was assigned according to need and precedence. However, policymakers accomplished a remarkable rhetorical feat: they argued that the best way of reducing inequality was not to return to a system of egalitarian redistribution, but to push ahead towards a market-driven system and increase personal consumption.

To make this argument, policymakers had to redefine the notion of equality in the sphere of housing. Rather than meaning that everyone had the right to housing of equal standard, it now meant that everyone should have equal access to the opportunity of acquiring a home – although the size, form, quality and location of this home would vary according to the budgets of the household.

This then allowed policymakers to claim that the best possible way to reduce inequality was to provide opportunities for private persons to purchase or build a home. Marković argued that “an apartment is a consumer good – a possible object of personal ownership, and it’s helpful to aid every person who has the means to build or buy an apartment.”²⁵ The means to this end was to provide as many ways to ownership as possible, and as many kinds of homes as possible. Some of the strategies that Marković mentioned in his speech were broadening the types of apartment that were available; recognizing that different types of homes are suitable for different regions; building very basic apartments that could later be modernized; and increasing opportunities for people to build their own homes while pursuing concentrated multistory construction in parallel. Standardization was thrown out the window, in favor of flexibility, adaptability and variety.

This re-articulation of housing strategy was pursued in the context of much broader economic reforms carried out in July 1965. These reforms aimed to restrict the state’s interference in the economy, primarily by liberalizing prices and by creating an effective banking sector. In line with this new approach, the state tried to withdraw from the management of housing provision, and to encourage the private acquisition of housing through the market, with the financial support of the banking sector.

Edvard Kardelj, one of the architects of the economic reforms of this period, did take care to specify that the new emphasis on promoting personal investment did not mean the total abandonment of collective ownership: “[...] we should not go to the other extreme and think that apartments in personal ownership are the only future. [...] In the further development of socialist relations, with the enrichment of socialist society, it is clear that organizations that rent out apartments and certain other consumer goods will continue to exist and even strengthen, because it is sometimes more efficient for

²⁵ “Prednosti jeftini stanova”

individuals to rent such goods, rather than own them.” It is noteworthy that he justified the continuing existence of collective ownership not in terms of the state’s obligation to provide housing to the population, but on the grounds that, under certain circumstances, it would be more efficient than personal ownership.

The general population appears to have been skeptical of both the claim that housing was a consumer good like any other, and that private ownership was compatible with socialism. Policymakers had to fight against the persistent popular belief that the personal ownership of an apartment was “against socialist principles.”²⁶ Kardelj also pointed to the need to change popular attitudes relating to its nature as an economic good: “we have to get rid of the vulgar understanding, which still exists in some places, according to which producing shoes is a useful activity, and housing construction some sort of social activity [in the sense of a social service] or necessary evil that drags us behind in economic development.”²⁷

In the years following the 1959 reforms, policymakers at the federal and municipal level undertook experiments with the goal of building on these reforms. As in the case of the Funds for Housing Construction, several Yugoslav cities tried out new schemes for increasing the production of housing and decreasing its cost, some of which would then be adopted on a national scale in 1965. The city of Belgrade, facing a dire housing shortage, was in the forefront of developing new solutions. By 1965, in Belgrade, 167,000 people lived in category 6 apartments, meaning ones that were of too low a standard to be considered inhabitable.²⁸ According to Miodrag Stevović, 50,000 of the city’s households in 1964 shared an apartment with another family.²⁹

The main idea behind these experiments was to increase the share of private investment in the total investment into the construction of new housing. One experiment that was tried out in Belgrade prior to being implemented on a national scale was the sale of new housing directly to customers. This idea was introduced as early as 1962, as a newspaper article revealed.³⁰ The idea of “selling on the market” should be seen as an extension of the idea, introduced in 1959, of private purchases of apartments through subscription. There was, however, a major difference. Whereas the old system presumed that demand had to precede supply, the new system was based on the idea that supply should be used to stimulate demand. Construction companies would seek to create demand by advertising to the public. Because they would compete for clients, it was believed that they would be encouraged to improve the quality of their products and to lower prices. In this manner, consumer fantasies could be used to bolster the construction industry.

The stimulation of consumer demand would accomplish several other things. It would encourage worker productivity, by giving them a reason to increase their earnings. It would also increase sales in the construction sector, by creating demand where it did not previously exist. Furthermore, by creating large-scale demand and investment, it would enable the construction sector to industrialize, as techniques of mass production in this period required consistently high demand.

²⁶ Ibid.

²⁷ “Stambena izgranja i stanarina,” *Beogradska Nedelja*, 5 jan 1964.

²⁸ “Preskupa je kućica u cveću,” *Beogradska Nedelja*, 20 June 1965.

²⁹ IAB, FSGB, Zapisnici sednice NO Grada Beograda, 15.5.1964, 59-60.

³⁰ “Kombinat za montažne i opšte građevinske radove Trudbenik Beograd,” *Beogradska Nedelja*, 10 june 1962

Although the production of apartments for the market was discussed in Belgrade as early as 1962, it appears not to have been translated into policy until 1964. In view of the high cost of apartments in relation to personal income, a suitable financing mechanism had to be found. A proposal was finally discussed in Belgrade's municipal council in May of 1964. It specified that people would be able to apply for a bank loan to purchase a home, if they could make a down payment amounting to 50% of its value.

According to this proposal, this financing scheme would also be available to individuals wanting to build their own home. Encouraging self-building was another way of resolving the housing crisis by involving personal investment. However, it promised none of the positive effects associated with the plan to sell housing on the market. It would not encourage the construction industry to cater to consumer needs, lower prices, industrialize, or operate more efficiently in any other way. Instead, the self-building scheme promised to resolve another kind of problem, that had been observed at least since 1961 – rogue construction.

Described at the time as wild or illegal construction, this term refers to the strategy employed by numerous, predominantly low-income households headed by unskilled or semiskilled workers, for resolving their problems in obtaining housing. They would erect a house illegally, frequently on land reserved for other purposes. They used their own savings to build these homes, which they tended to complete in stages, moving in as soon as there were four walls and a roof. In 1964, the president of the district of Zvezdara estimated that there were 6000 illegal housing constructions in Belgrade, probably sheltering some 24,000 inhabitants.³¹ Belgrade's mayor, Branko Pešić, estimated in 1965 that there were 10,000 illegal homes, housing some 50,000 people.³²

In trying to encourage self-builders to build legally, the authorities also proposed to open up 20,000 new parcels for self-building for the next seven years. Added to the plan for 80,000 new apartments, this meant 100,000 new homes for Belgrade's inhabitants in the next seven years, or an average of over 14,000 new apartments per year. Given that 7512 apartments had been built in Belgrade in 1963, the proposal implied that adopting these two strategies would double housing production.³³

Several participants in the debate around the proposal expressed serious reservations. Some of these concerned whether the financing scheme would really help to resolve the housing crisis, and whether it would help those hit hardest by the housing crisis. The president of the municipal council of trade unions pointed out that, were banks to require 50% participation on behalf of loan applicants, workers in low-profit sectors of the economy would still not be able to finance the purchase of a new home. He predicted that the 80,000 new apartments put on the market would be purchased by people living in the interior of the country, who had not contributed to the city's economic growth.³⁴

Others, including the director of the urban planning office, argued that it made no sense to encourage low-income families to build single-family homes. The presumed suitability of these homes for low-income households in comparison to apartments in mass-produced apartment buildings had to do with their supposedly lower cost. This

³¹ IAB, FSGB, Zapisnici sednice NO Grada Beograda, 15.5.1964, 91.

³² IAB, FSGB, Zapisnici sednice NO Grada Beograda, 15.5.1964, 91; Zapisnici sednice NO Grada Beograda, 4.11.1965, 52-3.

³³ "6.4 Broj I povrsnia izgradjenih stanova po godinama," *Statistički godišnjak grada Beograda 1969*, p. 87.

³⁴ IAB, FSGB, Zapisnici sednice NO Grada Beograda, 15.5.1964, 71.

assumption implied that people would be expected to build homes with absolutely minimal amenities, and that the local authorities would build only the most basic infrastructure. Setting aside any preoccupations relating to spatial planning, this part of the proposal implied a dual track for the standard of living. Whereas one part of the population, making a higher income, would be allowed to invest in apartments that would increase in quality and lower in price, another part, earning a lower income, would be encouraged to channel its savings into primitive housing in primitive settlements.

In spite of the misgivings that were expressed in the debates, the city council adopted this proposal. The presence of Momčilo Marković, member of the Federal Executive Council, at this meeting, and his strong endorsement of the proposal, suggests that the municipal council was under serious pressure to adopt it.

A year later, in April 1965, the federal government adopted a series of reforms that mirrored the Belgrade proposals. The reforms set the following goals:

- Increasing the construction of housing; liberating the housing sector from administrative financing and distribution; and providing citizens with the opportunity to independently acquire the kind and category of apartment that best corresponded to them;
- Making rent and communal fees the basis for an expanded reproduction of the housing stock and communal infrastructure; and setting them at an appropriate level in relation to personal income and the structure of consumption;
- Harmonizing urbanization with economic development and the social structure, work productivity and the economic means of the population;
- Developing of the production of materials and components for housing construction and stimulating the adoption of industrialized housing construction.³⁵

The reforms sought to resolve the housing crisis by improving the efficiency of the construction sector and by shifting a large part of the cost of housing onto the shoulders of consumers. They sought to achieve the latter goal, on the one hand, by encouraging personal consumption, and on the other, by bringing rents and fees in line with the actual costs of maintaining and replacing buildings and infrastructure. Applying the principles of self-management, the reforms sought to closely tie the standard of living within a political-territorial unit to its economic development and productivity, which reinforced one kind of inequality: differences in living standards between communes.

Because of their emphasis on personal consumption, the reforms also appeared to endorse a second type of inequality, one that had already been presaged in the Belgrade proposal. Leaving behind the egalitarian project of mass producing standardized housing and distributing it according to objectively measured need and precedence, the reforms aspired to provide citizens with the opportunity to purchase apartments according to criteria that they defined themselves and according to their income. Their income, in turn, depended first on the value of the product that they produced, and second on the value of their skill in the production process. Policymakers retreated from the goal of creating an egalitarian society, opting instead to move towards a Western-style consumer society, in which manufacturers would thrive by creating

³⁵ Savezni Zavod za Urbanizam i komunalna i stambena pitanja Beograd, *Jedinstvena terminologija najčešće pojmova korišćenih u oblasti stanovanja*. Belgrade, October 1968, p. 28.

consumer demand, which would in turn stimulate worker productivity, and in turn, consumer demand would discipline manufacturers through competition. In such a system, the workers who produced the least value necessarily lost out.

The Truth revealed: the primacy of economic rationality

Ultimately, the increased emphasis on personal consumption did not lead to a diminishing of inequality. This is not because it provoked some kind of spiral of conspicuous consumption, as happened in the United States in the second half of the twentieth century, but rather, because the minimal cost of a dwelling continued to exceed the incomes of a significant proportion of the urban population. Popular frustration with the failure of the reforms to deliver affordable homes translated into hostility towards the conspicuous consumption of housing, which in turn, placed limits on the consumer-driven economy. They also put pressure on policy-makers to find a solution for the homeless.

At the beginning of the 1964-1965 housing reforms, opinion-makers seemed to be willing to accept policy-makers' argument that what was needed was not more but less government-intervention in the market. Živković, who had been the most vocal critic of housing policy in *Beogradska Nedelja*, registered his approval of policy. He applauded the imminent abolition of the much maligned Funds for Housing Construction, and of their replacement by a system of bank credit that would allow workers to buy a home.³⁶

However, policymakers' claim that the reforms would reduce inequalities by increasing opportunity quickly lost some of its credibility. Following the liberalization of prices, prices rose sharply, and inflation climbed from an average rate of 1.5% yearly between 1954 and 1964, to 10.4% yearly between 1965 and 1975.³⁷ Apartments rose in cost, putting into doubt the idea that competition would help to bring prices down. Whereas in 1964, apartments cost between 72,000 and 92,000 dinars per square meter, by 1966 their cost had risen to 170,000 dinars per square meter.³⁸

Along with prices, salaries increased, but at varying rates depending on the economic branch. In Belgrade, between 1962 and 1968, the salaries of people working in the production and transportation of electrical energy increased by a factor of 4.8. In contrast, people working in the construction sector and municipal public transportation increased by a factor of 3.5 and 3.8, respectively. Consequently, whereas in 1962 the salaries of people in the electrical energy sector were 1.3 times the average salary of those employed in construction, by 1968 this ratio had become 1.6. The average salaries of people working in finance also increased 3.5 times, but they started out earning higher salaries – 50% higher than workers in the construction sector in 1962.³⁹ Factoring in the differences in salaries between cadres, skilled, semiskilled and unskilled labor, it becomes clear that some people suffered worse from the inflation than others.

This meant that apartments continued to be too expensive for an important segment of the population. An article published on May 8th, 1966 in *Beogradska Nedelja*

³⁶ "Povećanje stanarina i više stanova," *Beogradska Nedelja*, 20 dec 1964.

³⁷ Martin Schrenk et al. *Yugoslavia: Self-management Socialism and the Challenges of Development*. Baltimore: John Hopkins University Press, p. 32.

³⁸ "Gradi se sporo i skupo," *Beogradska Nedelja*, 10 april 1966.

³⁹ Data is taken from "16.1 Prosečan neto lični dohodak po jednom zaposlenom po granama delatnosti" *Statistički godišnjak grada Beograda 1969*, p. 172.

claimed that “the scope of apartment construction and the cost of an apartment today are the most serious problems in Belgrade,” adding that 50,000 inhabitants did not yet have an apartment, and that 60% of households were forced to share their accommodations.⁴⁰

In Belgrade, the program for promoting self-built housing also proved a failure in terms of its capacity for helping the city’s low-income families. As early as September 27th, 1964, *Beogradska Nedelja* reported that people were shunning the parcels that had been opened up for self-building. One problem was that bank credit had not yet become available, such that workers had to rely on obtaining loans from their employers, which was a slow and expensive proposition. This difficulty would soon be addressed by the introduction of bank credit, but the cost of readying parcels for construction posed a much larger problem. A number of tasks had to be carried out, including the connection of the plot to the electrical, water supply and road network and the installation of some kind of system for dealing with waste water. In order to pay for this work, home builders had to pay between 400,000 and 2,000,000 dinars, or nearly twice the cost of a house.⁴¹ A later article quoted the cost of communal infrastructure installation as ranging between one million dinars, in the distant periphery of Krnjača, across the Danube river, and a whopping eleven million dinars in the luxurious settlement of Jajinca, on the Southern periphery of the city.⁴² Considering that a worker in a foundry might earn 22,000 dinars a month, and a worker for the municipal water supply might earn 31,000 dinars a month, it becomes clear that such low-income families could hardly afford to invest in a parcel even in the most modest settlement.⁴³

In explaining the high cost of this fee, one district official pointed out that the previous fee, which amounted to 100,000 dinars plus 10% of the value of the home, for a maximum of 500,000 dinars, had not met the basic costs of building local infrastructure, and resulted in the creation of neighborhoods without paved streets or infrastructure. Inhabitants had subsequently demanded the correction of this problem, but the district coffers were empty. Under pressure from the Republic of Serbia and the municipality, districts now opted instead to expect future inhabitants to cover the total cost of building and installing necessary services. He added that “we are aware that, in this way, owners of detached homes need to be citizens with a higher, or better put, a high standard” [meaning income.] Another official added what had seemed obvious to urban planners in 1964: “we have only now come to realize that family home construction must be more expensive than construction in blocks.”⁴⁴ The author of the article concluded that, while these were reasonable answers, they could not satisfy him, “for such a housing policy cannot in any way help to lessen the housing crisis that is so present in the capital city.” He might have added that it was especially not suited to helping low-income families obtain housing.

This episode illustrates a poignant fact: in the context of the economic reforms of the 1960s, equality, however it was defined, took a backseat to fiscal responsibility, which was part of the broader plan of improve the efficiency of the economy.

However, we should not conclude that, just because Yugoslavia was an authoritarian state, policymakers could get away with lying to the population about the outcomes of

⁴⁰ “Cena stana iznad materijalnih mogućnosti građana,” *Beogradska Nedelja*, 8 may 1966.

⁴¹ “Gradjani ne gradi stan,” *Beogradska Nedelja*, 27 september, 1964.

⁴² „Preskupa je kucica u cvecu,” *Beogradska Nedelja*, 20 june 1965.

⁴³ The salaries that are given as examples are taken from “Stan nije sve,” *Beogradska Nedelja*, 8 April, 1965.

⁴⁴ „Zasto je preskupo kucica u cvecu?” *Beogradska Nedelja*, 27 june 1965.

their policies. The frustration provoked by the failure of these policies to diminish inequality also constrained the authorities' freedom of action.

The case of Block 30 in New Belgrade provides a good example of this. In 1967, Belgrade's urban planning office commissioned architect Uroš Martinović to develop a detailed plan for a luxury development in New Belgrade, the city's new city center and model settlement, aimed first and foremost at diplomats, but also at "citizens who are looking for comfort."⁴⁵ The director of the urban planning office, Aleksandar Đorđević, confirmed "that there is an interest in apartments for 150 million dinars," adding, "[w]hose money this is, how they obtained it and what I would do with that money, don't ask me that because I'm just an urban planner."⁴⁶

This project made sense within the framework of the reformed housing policy. It enabled people to acquire the kind of home that they judged "best corresponded to them" and, in the process, channeled large sums of money into the housing industry. Although such a project was not likely to pressure the construction industry to lower its prices, it was an excellent exercise in finding ways to stimulate consumer demand by feeding consumer fantasies, as is attested to by the attractive color brochures for the settlement.⁴⁷ Its lavishness, which jarred with the basic values of socialism, seemed to find an apology in Marković's affirmations that the construction sector should provide a variety of homes suiting every pocket.

Popular opinion, however, was decidedly hostile to the idea, precisely because housing remained out of reach for a large part of the population. Having described the wondrous amenities that would be available to the inhabitants of his luxury settlement, ranging from car garages immediately below their several-storey apartment, to covered passages allowing inhabitants to navigate the block undisturbed by poor weather, and kitchens equipped with the most desired kitchen appliances, journalist Anđeljko Dragojević asked:

Who here will be able to pay such high prices? It is hard to believe at the moment that it will be those working people and civil servants without apartments who, in spite of their mainly modest means, are by rule referred to the most disadvantageous [financial] conditions: personal participation or a loan from their employer – 75% of the value of the apartment – with the remaining 25% coming from a bank loan with a 25 year repayment schedule.⁴⁸

In spite of the apparent demand for luxury apartments, the project to build Block 30 was never realized, a testament to the limits of market reforms in a country whose population still believed quite strongly in the egalitarian socialist program.

During the same period, Belgrade's municipal government acknowledged the limitations of a liberalized housing economy when it came to providing everyone with an opportunity to obtain a home. On October 17th, 1968, the city council passed a resolution which created a social housing program aimed at those who had been marginalized by the housing reforms. Recognizing that "our socialist laws have bypassed the issue of, in some manner, providing the lowest categories of workers with a manner to participate in the distribution of housing," the resolution set up a

⁴⁵ UZBGB. G 0/4/71-110, GL 84, "Zapisnik XV sednice Saveta za urbanizam Skupštine grada Beograda, održane da dan 27.3.68. godine u prostorijama urbanističkog zavoda grada Beograda," 27.3.1968.

⁴⁶ "Ekskluzivni blok 30." *Borba*, 10 August 1968, 6.

⁴⁷ UZBGB. G 0/4/71-110, GL 83, "Katalog stanovanja blok 30," undated.

⁴⁸ "Ekskluzivni blok 30," *Borba*, 10 August 1968.

mechanism for financing the construction of 2000 apartments per year for the next five years, aimed specifically at low-income workers, in addition to the projected 10,000 apartments per year that were built for the usual distribution channels. The construction of these dwellings would be financed in part by employers, and in part by other bodies, as well as by wealthier economic branches that had succeeded in providing housing to their workers. The intended recipients were concentrated especially in the textile, leather, wood, agricultural, supply industries and parts of the metal, construction, and transportation industries. The intention was not to segregate these new homes, on average 50 sq. meters in size, but to integrate them into existing projects.⁴⁹

In a sense, this represented a return to the egalitarianism of the 1944-1954 period – a program for distributing housing not based on productivity, but on need and precedence. Yet, this program only catered to the most needy (and arguably only one segment of the needy population), whilst the rest of society was expected to obtain their dwellings through the approved channels: buying or building a home using their own resources and bank loans, or renting apartments that were built from their incomes. In this sense, this initiative had much in common with social housing programs that existed in Western Europe starting in the late 1960s, aimed at those who, due to poverty, simply couldn't make it in the housing market. Policy-makers opted to persevere with the new economic orientation, merely offering assistance to those consumers who lay on the margins.

Conclusion

We can draw several conclusions from these observations on the evolution of housing policy between 1944 and 1968 with regards to the nature of political change and state legitimacy in socialist Yugoslavia.

The case of housing policy suggests that, to understand economic reforms, it is necessary to look not only at policy-making at the federal level, but also in the municipalities. Problems emerged at the level of individual cities, prompting policy innovations at the local level. Moreover, a certain number of cities often served as test cases before policies would be implemented on a national scale. This does not mean that we can speak of a genuine feedback process, as policies that seemed to have backfired in Belgrade would later be adopted on a national scale. Rather, the purpose of such “laboratory cities” was likely to work the administrative kinks out, so that centrally formulated policies could be implemented more effectively. Looking at the interaction of local and national-level policy-making, it is possible to see a more gradual evolution, rather than a series of ruptures.

Moreover, this case shows that, although the economic reforms of the 1950s and 1960s established the widespread availability of consumer goods, they also aggravated social inequality, such that Yugoslavs profited unevenly from the new prosperity and consumerist orientation. Yugoslavs were not ready to abandon the egalitarian ethos, forcing policy-makers to account for those who were shut out of consumer society. While we may be tempted to see this as an evolution towards becoming a Western-style welfare state, anger at social inequality also prompted the abandonment of plans to build luxury housing, something that would be unthinkable in a Western European context. Yugoslavs were not entirely ready to embrace a Western-style consumer society. At the

⁴⁹ IAB, FSGB, Zapisnici sednice NO Grada Beograda, 17.10.1968.

same time, the fact is that policy-makers got away with making only cosmetic changes to market socialism.