

Ljubica Spaskovska

University of Exeter

**‘Constructing a better world’? – Yugoslav investment construction in the ‘South’,  
labour mobility and the pursuit of collective self-reliance, 1950-1990**

**Abstract:** The causes of anti-imperialism and decolonisation aside, the newly independent and non-aligned countries forged transnational alliances within the United Nations that have represented the collective interests of the developing world for more than fifty years. This paper situates Yugoslavia’s global role and its labour force mobility in the South within a broader story about economic and technical cooperation among developing nations, the project of ‘self-reliance’, and a redefinition of existing global trade patterns. These occurred within a framework of nesting hierarchies, both at the global and at domestic level and were not directed at a radical redefinition of the existing ‘transnationalised economy’, but rather at the redefinition of the nature of the economic relations/hierarchies in place and an aspiration to partake in the international division of labour and economic exchange as equal partners.

**Keywords:** Yugoslavia, UNCTAD, self-reliance, non-alignment, construction

Despite the dire economic situation socialist Yugoslavia had found itself in during the 1980s, with high inflation and rising debt, the 1989 ‘Engineering News-Record’ Top

Contractors List included eight Yugoslav construction companies, whose contracts for investment work abroad for that year alone were worth 800 million US dollars (Vojinović, 1990). In fact, thanks to big civil and military engineering projects in Peru, Iraq and Libya, the 1980s were the ‘golden decade’ for many of the big Yugoslav construction firms. The paper embeds socialist Yugoslavia’s labour mobility in the field of investment construction within a broader story about conceptions of non-aligned socialist modernisation and development, the project of ‘self-reliance’, cooperation among developing nations and a redefinition of existing global trade patterns, all the while reflecting on the inner tensions that underpinned these encounters. Crucially, it aims to shed light on a largely neglected area in the study of non-alignment, ‘Third Worldism’ and alternative globalisations – that of the shift, to use Louise Fawcett’s words, through which a rebellion against colonialism turned into a rebellion against the prevailing international order and in particular its economic mores (Fawcett, 2000, p. 243).

There is a dearth of analyses that engage critically and analytically with the developing world, account for the voices and agency of these actors and do not approach the region solely through the lens of Great Power competition or that of the role of the Blocs in the global South.<sup>i</sup> Although there has been a true proliferation in studies revisiting the ‘Third World’ and its role in the Cold War, as well as studies looking at international organisations such as the United Nations Conference on Trade and Development (UNCTAD) where the developing countries of the global South had played a major role - acknowledging, for instance, as Bockman (2015) does, that ‘UNCTAD staff understood themselves as working from the perspective of the Third World’ - they tend to conflate the role and agency of the ‘Second and Third Worlds’. By not attending to this difference, these analyses obscure a

fundamental division – both terminological and substantial - which emerged in the 1960s and underpinned all crucial stages in the debates on development, trade and economic cooperation: that of the developed vs. developing countries. Hence, in this paper the terms ‘(global) South’ and ‘developing world’ are used interchangeably, purposefully eschewing the use of the ‘Third World’ as a concept which essentially disempowers and peripheralizes the states and societies in question and was not used in Yugoslav public discourse or indeed by the developing states themselves.<sup>ii</sup>

Although current research rarely attends to these divisions, they were prominent in publications in the 1970s and 80s, and even more so in documents, declarations and programmes of action conceived by developing countries. The following quote from a volume dedicated on the ‘New International Economic Order’ (NIEO) (Laszlo, Baker, Eisenberg, 1981, p. xxiii) published for the United Nations Institute for Training and Research (UNITAR) captures this division:

‘In the centrally planned economies of Eastern Europe an assessment of historical responsibility hampers effective participation in the restructuring of the world economic system. The problems of the existing system are traced to the exploitation of the Third World by Western Imperialist powers and hence the responsibility for correcting the problems is ascribed to them. A division of the world into developed and developing countries is rejected for ignoring essential differences in existing socio-economic systems; assistance is provided mainly for countries that have an affinity with the politics of the socialist world.’

In this paper, I situate labour mobility within a larger story of the project of ‘collective self-reliance’, the role of socialist Yugoslavia - as the principal European country and a founding member of the Non-Aligned Movement (NAM) and the Group of 77 developing countries (G77) - in the global alliance of developing nations, its role in the efforts to right the asymmetry of North-South relations, but also its active participation in the ‘new transnationalised economy’ (Girvan, 1975) where multinational corporations (MNCs) played a crucial role. Hence, the first section seeks to restore the role and position in Cold War history of non-Bloc politics and of the alliance of developing countries which was essential to numerous major initiatives in the 1960s, 70s and 80s, not least the creation of UNCTAD as a permanent organ of the UN General Assembly and the Group of 77 as the foremost intergovernmental organisation representing the collective interests of the developing world.<sup>iii</sup> Indeed, economic cooperation among developing countries was an integral part of the collective action of the G77 for the restructuring of international economic relations and the establishment of the New International Economic Order (Group of 77, 1981). Drawing upon archival material, company newsletters and oral history interviews, the paper develops the case study on South-South economic cooperation and investment construction by focussing on several Yugoslav construction companies whose work spanned all (uninhabited) continents except Australia, and one of them – Belgrade-based *Energoprojekt* had 35 foreign entities across Western Europe, Africa and the Middle East. The paper seeks to compare and contrast the idea(l)s and doctrines that underpinned this flow/exchange of people, ideas and technology, with the tensions and contradictions that existed both at governmental level and in the field, culminating in the evacuation of 10,000 Yugoslav construction workers in 1990 following the Iraqi invasion of Kuwait. Hence, in this paper I sketch out the practical

implications of Yugoslavia's economic model and its non-aligned policy that paved the way for the robust economic cooperation with the developing countries from the 'global South' and for a new chapter in labour mobility. I argue that labour mobility within the developing world occurred within a framework of nesting hierarchies, both at the global and at domestic level. Indeed, hierarchical citizenship is evident in both domestic and global hierarchies (Castles, 2005). Namely, different and shifting hierarchies existed between developing and non-aligned states, in particular the oil-producing and non-oil-producing ones; between the former imperial powers and their former colonies; between the Yugoslav and the local workforce, and between the Yugoslav experts and technocrats (engineers, company directors, architects, corporate lawyers, etc.) and the ordinary construction workers. Thus, the paper seeks to unpack the tensions and contradictions at the heart of the doctrine of collective self-reliance, the struggle against the North-South divide and for a new global economic order. By using Yugoslavia as a case-study, I show that ultimately the struggle led by the alliance of developing countries was not directed at a radical redefinition of the existing 'transnationalised economy' or the 'system of transnationalised capitalism' (Girvan, 1975, p. 29), but rather at the redefinition of the nature of the economic relations/hierarchies in place which would allow newly independent and developing countries to partake in the international division of labour and economic exchange as equal partners.<sup>iv</sup> A partnership between equals is what the Yugoslav President Josip Broz Tito had in mind when he told the Business International Roundtable group in May 1968 that the country was committed to 'participate in the international division of labour.'<sup>v</sup> 'If our companies produce lower quality goods at higher prices', he said, 'then we wouldn't be competitive at the international market and therefore we could not act as equal partners.' In addition to archival material from the

Archive of Yugoslavia and the Diplomatic Archive of the Serbian Ministry of Foreign Affairs, the paper draws upon six oral history interviews with employees from four Yugoslav constructions companies (Energoprojekt, Energoinvest, Beton and Pelagonija) and one group interview with current and former engineers from Energoprojekt. The interviews were semi-structured and were conducted in Skopje, Belgrade and Sarajevo in 2014-2015.

*The Third World Europeans – Yugoslavia in the pursuit of ‘collective self-reliance’ and investment cooperation*

‘The developing countries have a strong conviction that there is a vital need to maintain, and further strengthen, this unity in the years ahead. It is an indispensable instrument for securing the adoption of new attitudes and new approaches in the international economic field. This unity is also an instrument for enlarging the area of co-operative endeavour in the international field and for securing mutually beneficent relationships with the rest of the world. Finally, it is a necessary means for co-operation amongst the developing countries themselves’ (Group of 77, 1964).

The 1961 resolution that tasked the UN Secretary-General to consult member governments on holding an international conference on international trade problems ‘relating especially to primary commodity markets’ was originally put forward by 26 Afro-Asian members and Uruguay and Yugoslavia (ECOSOC, 1961). The subsequent General Assembly Resolution, which endorsed and confirmed the convening of UNCTAD, materialised ‘largely

at the behest of the NAM' (Weiss, 1986, p. 25). Indeed, the role of Yugoslavia in the formation of the G77 was substantial - not only was it a co-sponsor of the Resolution calling for the convening of UNCTAD, but it also became a member of the Conference's Preparatory Committee and a signatory of the 1964 'Joint declaration of the Seventy-Seven developing Countries' (International and Commonwealth Section, 1980). Of the 32 members of the UNCTAD Preparatory Committee, 19 were developing countries – including Yugoslavia. To understand why Yugoslavia decided to classify itself as a developing country, or, more precisely, as a 'slightly more developed developing country' [*malo razvijenija zemlja u razvoju*], we need to understand the relationship that existed between the global South and the state-socialist European countries. The state-socialist countries belonging to the COMECON were part of the developed (socialist) world and many of the developing countries, which were at the same times members of the G77 and the Non-Aligned Movement, were aware of and often complained about the Soviet Union's patronising attitude, about its tendency to 'lecture' developing nations, its 'Great Power' behaviour and often pragmatic, geo-politically conditioned treatment of the developing countries, which rarely implied a relationship of equal partners. On the contrary, that relationship often amounted to 'a sort of socialist colonialism' (Savranskaya, 2011, p. 23). During UNCTAD I, for instance, Moscow appeared to be 'as uncomfortable with the G-77 as with Group B [developed, OECD countries], and the lavish banquets thrown for [UNCTAD Secretary-General] Prebisch during his tour only magnified Moscow's international parsimony' (Dosman, 2008, p. 402). Indeed, as Savranskaya argues, 'Senior Soviet decision makers, with the important exception of the head of the International Department, Boris Ponomarev,

shared a somewhat paternalist approach to the Third World and looked at it as a periphery of world politics.’

The decision to convene UNCTAD was taken by the ECOSOC in 1962 after Brazil, Ethiopia, India, Senegal and Yugoslavia submitted a draft resolution. Although the developing and non-aligned countries shared similar grievances voiced by the Soviet Bloc regarding the unfulfilled commitment of the 1948 Havana Charter about the establishment of an International Trade Organisation (ITO), by the time of the convening of UNCTAD in 1964, the developing and non-aligned countries had managed to forge a distinct geopolitical identity and voice in the UN. As Dosman (2008, p. 381) observed, ‘The Soviet Union had been in effect marginalized from the very outset of UNCTAD preparations, with progressively waning influence and now was reduced to sporadic eruptions of temper or routine demands for a new ITO to replace GATT.’ When the negotiations on the convening of UNCTAD reached an impasse, at the beginning of June 1964, Raul Prebisch invited a selected group of eight delegations representing both developed and developing countries for a ten-day marathon of private negotiations and discussions: the US, the UK, France, Pakistan, Nigeria, Belgium, Switzerland and Yugoslavia. Delegates from India, Uruguay and Ethiopia were occasionally invited, ‘but the Soviet Union was not part of this delicate negotiation’ (Dosman, 2008, p. 406). Even later, Group D, gathering the COMECON countries, did not play a significant role in multilateral development diplomacy, arguing that the present injustices in the global economic order were the responsibility of the West. Although the state socialist countries actively participated in UNCTAD discussions, USSR’s major role in international affairs notwithstanding, contemporary observers agreed that the fundamental negotiations were conducted between the developing nations of the South (including



Yugoslavia) and the developed market economies of the West. In a lengthy oral history interview (Weiss, 2007, pp. 37/69-70), Janez Stanovnik, the Yugoslav economist and career diplomat who, among other things, worked as Prebisch's advisor and was the Executive Secretary of the UN Economic Commission for Europe (ECE) from 1967-1983, described the political landscape in the following way: 'What the Russians were only interested in were "principles", which means a political fight around "trade discrimination"; they were not interested in truly economic matters [...] they really had one interest – to support, in principle, the demands of developing countries and to get political sympathy. But they did not engage in a truly multilateral dialogue, because their approach was so ideological, so political [...] It was more political business than really serious economic matters.'

The 1964 'Joint Declaration of the Seventy Seven Developing Countries' was made at the conclusion of the first UNCTAD. The Declaration officially set the goal of redefining 'the international economic field' through a new unity of the South and 'co-operation amongst the developing countries themselves'. 'Such co-operation must serve as a decisive instrument for ending the division of the world into areas of affluence and intolerable poverty [...] The injustice and neglect of centuries need to be redressed', the Declaration maintained, and designated the task 'the outstanding challenge of our times'. The Group of 77 was to become one of the principal forums in which Yugoslavia would exercise its identity as a developing country and forge and expand meaningful relations and cultivate solidarity with other developing nations of the global South, initially as part of the African group, and then of the Asian group in G77, from the quota of which it was elected to various posts in UNCTAD (Gosovic, 1972). Within UNCTAD, Yugoslavia articulated arguments that resonated with the newly independent developing nations. For instance, as early as 1966, in the preparatory

materials for UNCTAD II, Yugoslav representatives stressed that ‘the burden of debt repayment took on dramatic proportions’, as the private and public debt of developing countries reached 38 billion USD in 1964, the repayment consuming 12% of their total export earnings.<sup>vi</sup> The same document demonstrates that for the Yugoslavs, the significance of the convening of UNCTAD in 1964 lay in the fact that it was ‘the first time in history that a political platform was conceived that acknowledges/takes into consideration the interests of **all** members of the international community’. The creation of UNCTAD and the proliferation of the G77 created a sense of unity of the non-Bloc developing world, an explicit endorsement of economic cooperation among the developing nations and, crucially, what would later be codified as the principle of (collective) self-reliance. The framework of collective self-reliance was launched by the Non-Aligned Movement, although it was taken to an operational level by the Caracas Programme of Action (CPA) in 1981 - the outcome of the High Level Conference on Economic Cooperation among Developing Countries of the Group of 77 that took place in Venezuela in May 1981. Self-reliance was envisioned as a long-term process that would redefine inherited trade patterns ‘with economic co-operation between developing countries as a way of **bolstering each other’s share in world trade**’ (Green, 1992, p. 33).

Hence, economic co-operation between developing countries – or, what became commonly known and referred to as ‘ECDC’ – was envisioned as the means for achieving self-reliance and ECDC, along South-South trade, both stemmed from UNCTAD I. Through these new fora, as Thomas Weiss argued, ‘the ability of the South to be taken seriously grew’ (Weiss, 1986, p. 10). However, the ‘strengthening of economic relations, coordination of economic policy and a focus on the economic development of less developed countries’<sup>vii</sup>

was one of the fundamental principles of non-alignment agreed upon at the preparatory meeting of the Conference of Heads of State or Governments of Non-Aligned Countries held in Cairo in June 1961, ahead of the Belgrade Summit. From the perspective of the developing nations of the South, the majority of which were or would become members of the NAM, the world was not strictly bipolar, but having carved out a space for themselves at international forums in New York and Geneva, Bandung and Belgrade, the post-colonial world consisted of three, rather than only two 'blocs'. The following excerpt from the 1967 'Charter of Algiers' adopted at the First Ministerial Meeting of the Group of 77 captures this conceptualisation:

'The share of the developing countries in total world exports declined from 27 per cent in 1963 to only 19.3 per cent in 1966. In the first half of the 1960s, total world exports grew at an average annual rate of 7.8 per cent and exports of developing countries, excluding oil exports, grew at an average rate of 4 per cent only. While the value of exports of manufactures from industrial countries increased between 1953/1954 and 1965/1966 by 65 billion dollars and from socialist countries by 10 billion dollars, the increase from developing countries amounted to only 3 billion dollars' (Group of 77, 1967).

What is often overlooked is the above-mentioned mutually reinforcing and complementary relationship that existed between the NAM and the G77. Before Raul Prebisch became the renowned first Secretary-General of UNCTAD, he was appointed official personal representative of the UN Secretary-General U Thant to the 1962 Cairo 'Conference on the Problems of Developing Countries' (Toye and Toye, 2004, p. 187). The Cairo conference

was crucial for the convening of UNCTAD, as the Cairo declaration called upon the developing countries to work for the convening, in 1963, of an international economic conference. It was a follow-up of sorts to the 1961 Belgrade NAM Summit, as it was an initiative of the NAM founding members and it brought into the orbit the developing countries as a grouping and hence redefined the Soviet-led initiatives which mainly focussed on East-West trade. For Prebisch himself, the Cairo conference ‘was quite a revelation’ [...] The Cairo Conference, in fact, was more than stimulating – apart from introducing new faces and ideas, it heralded a change in power relations’ (Dosman, 2008, p. 402). Indeed, it was a change in power relations above all – and not the destruction of a transnationalised capitalist global economic order – that the developing nations had set as their priority.

### *Visions of self-reliance: the case of Yugoslav investment construction*

It was in this international context and its domestic political and economic liberalisation that socialist Yugoslavia undertook its initial steps in investment construction and economic and technological cooperation with the newly independent developing nations. After its expulsion from the Cominform (Communist Information Bureau) in 1948, Yugoslavia had to carve out a new role for itself. Investment construction, i.e. large-scale infrastructure projects in civil and military engineering remained a crucial domain of what would become known in non-aligned and development parlance as ECDC and TCDC. ‘Collective self-reliance’ and economic and technical cooperation among developing countries were policies that were supposed to overcome the economic dependence on former

colonial powers. In 1972, the UN General Assembly created a Working Group on TCDC and in 1978, the 'UN Conference on Technical Cooperation among Developing Countries (TCDC)' held in Buenos Aires adopted the Buenos Aires Plan of Action on TCDC. 'Economic cooperation among developing countries' (ECDC) was one of the core initiatives both within UNCTAD and later as part of the NIEO Program for Action and it was consequently incorporated in socialist Yugoslavia's key policy objectives. Creating new joint ventures among developing countries in the area of investment construction, as I will show below, was one of the means of the practical implementation of the objectives of UNCTAD and NIEO in the area of ECDC/TCDC.

Major Yugoslav construction companies, including those that made the 'Top International Contractors' chart of the *Engineering News Record*, were the ones that carried out the post-war urbanisation, electrification and overall infrastructural rebuilding of the federation. Yugoslavia came out of the Second World War almost completely destroyed, with loss of national wealth and direct material damage estimated at \$9.1 billion, or 17 percent of the total losses of all the 18 allied countries, according to the data by the Paris Conference on Reparation (War Reparations Commission, n.d.). Hence, the figure of the builder/constructor in the early post-war years enjoyed the same symbolic importance and power as that of the miner (Thompson, 1948). In general, developing countries' firms investing in other developing countries were large enterprises on the domestic scene (Svetličič and Rojec, 1986, p. 43). Eight out of 21 firms undertaking joint ventures in developing countries were among the one hundred largest firms in Yugoslavia in terms of total turnover and they were also among the most important exporters, as well as importers, of foreign technology. However, perhaps even more importantly, Yugoslav construction firms were willing to offer relatively

high quality projects based on interpretations of local building/architectural typologies that often combined designs ‘based in “Western” architectural vocabulary [...] with socialist premises’ (Cvitanović, Smokvina, Kincl, 2016, pp. 153-4).

Belgrade-based Energoprojekt was one of the Yugoslav construction giants. It was founded in 1951 with only 250 employees and a total income of \$145,000. By 1956, it was making \$40,000 in profit from projects abroad. By 1980, the company had 5,800 employees, a total income of \$400 million and \$45 million in profit from projects abroad (Popović et al., 1982). In 1978, investment projects in developing countries amounted to over \$1 billion in investments, comprising almost 70 percent of Yugoslavia's total investment abroad (Popovic, Adamovic, Minic, Babic, 1982, p. 41). The endeavour of technical and economic cooperation through a flow of experts and blue-collar labour on a relatively unprecedented scale for a small, developing European country was implemented through and facilitated by a network of federal and republic-level bodies, which often had overlapping mandates. The Federal Committee for Economic Cooperation with Developing Countries and the Federal Secretariat for Foreign Trade, for instance, provided the institutional umbrella that coordinated the activities of e.g. the Yugoslav Chamber of Commerce and the Yugoslav Bank for International Economic Cooperation. However, it was the companies’ own network of subsidiaries or joint ventures that became central, especially after the liberalisation of the Yugoslav economy after 1968. As an illustration, by 1981 Energoprojekt’s network abroad consisted of (Popović et al., 1982 ):

a) local subsidiaries (INEC London; UFK Gabon; SIDCO LTD Zambia; UNICO Zambia; Central Commerz Frankfurt; Energoprojekt Incorporated, New York);

b) joint venture companies (ZECCO, Zambia; S.B.D., Guinee Conakry; Energal, Zurich; NECCO, Nigeria; S.M.I.R., Algeria) and,

c) Energoprojekt's permanent offices abroad (in Kuwait; Tripoli and Benghazi (Libya); Lagos, Kano and Ibadan (Nigeria); Salisbury (Zimbabwe); Baghdad (Iraq); Panama City; Lima (Peru); Luanda (Angola); Gaborone (Botswana); Dubai (UAR); and Conakry (Guinee)).

Energoprojekt also acted as one of the institutional shareholders in the East African Development Bank founded in 1967 (<http://eadb.org/about-us/shareholding/>). The presence and prestige of the Yugoslav construction industry in the South was without doubt due to its status as a leading country in the Non-Aligned Movement and the G77. Originally, a strong belief in promoting development, exporting the positive practices of Yugoslav self-management and fulfilling the country's 'political obligations' towards its partners in the developing world underpinned investment construction, especially in the newly independent countries in Africa. Indeed, Yugoslav investors considered three features to be characteristic of their investments in developing countries: equitable relations between the partners, strong integration of the activity into the local economy, and a high level of compliance with the host country's development plans (Svetličič and Rojec, 1986, p. 57). These commitments partly explain why the UN-Sponsored International Centre for Public Enterprises in Developing Countries (ICPE) was based in Yugoslavia. The Centre was conceived as a research, training, consultancy, documentation and postgraduate studies centre for promoting cooperation among developing countries, in the field of public enterprises and the public sector engaged in economic activities, on the basis of collective self-reliance (Vratusa 1984).

ICPE was directly involved in the Caracas Programme of Action (CPA) and in 1981 and 1982, UNCTAD, in association with ICPE organised a series of symposia in Yugoslavia for Heads of State Trading Organisations (STOs) of developing countries to consider a programme for mutual trade development (Ahmia, 2015).

All of my interviewees, regardless of their level of expertise, agreed that the secret of the success of their companies lay in their employees – indeed, a relative self-managing meritocracy built to promote fairness, was combined with fair compensation and welfare benefits, investing in young engineering talent through the companies’ own scholarship programs and encouraging semi-skilled workers to acquire more skill and better qualifications. Abroad, this was enhanced by the competitiveness of the Yugoslav bids in terms of lower costs compared to Western European and American contractors. An American journalist noted at the time: ‘European competitors say that for years Energoprojekt's big advantage was a reservoir of relatively low-cost engineering talent whose performance was improved by the incentives built into Yugoslavia's system of worker-management’ (Tagliabue, 1983). Although Yugoslav companies worked together on large projects in the South, often the set-up of the system, alongside the growing economic autarchy of the federal units, allowed for the emergence of serious tensions among them - what officials and experts called ‘disloyal competition’ (Zdravković, 1981, p. 13). Jakob Finci (born 1943) was a corporate lawyer at Sarajevo’s Energoinvest who spent time working in Ethiopia. He underlined ‘the synergy’ between what often looked to critics as a highly fragmented and inefficient system of ‘associated labour’ and self-management:



The secret of Energoinvest's success was in the synergy of its research and development centres, the manufacturing plants, the engineering and commercial organisations [...] This great synergy enabled us to be competitive and responsive in the market, and if I may say so, always with that up-to-date production that followed international trends [...]

Even according to the assessments of foreign experts, Energoinvest was proof that even in socialism there can be successful/profitable enterprises. At one point, I worked on the internal organisation of Energoinvest when the US consulting firm McKenzie was contracted [...] and at several meetings with the then CEO Emerik Blum they asked: 'You know, we are unsure how, but you must have a workers' council?' [Blum] replied: 'Give me an optimal organisational scheme, and I will insert the workers' councils where they are meant to be.'

Although it is often assumed that trade, economic cooperation, investment inroads and mobility in the South really took off only after the establishment of the Non-Aligned Movement, these encounters can be actually traced already to the early 1950s and the establishment of preliminary political alliances. The rise to prominence of Yugoslav construction firms on the international consultancy market, in particular in Africa and Asia, especially in maritime construction, was indeed associated with a political commitment to the 'third bloc'. In the Arab world, an overlap between Arab and Yugoslav socialism, as well as the high regard in which Ba'athist theoreticians such as Michel Aflaq held Tito, cemented the good relations between Yugoslavia and Iraq and Syria (Ginat, 2010, p. 120). In Africa,

Ethiopia played a similar role. A trade and economic cooperation agreement was signed in 1953 and during his first visit to Yugoslavia in July 1954, Haile Selassie expressed interest in Yugoslav involvement in ‘the Ethiopisation’ of the country’s trade, geological research, agriculture, technical aid and the overall development agenda. After a group of Yugoslav experts on planning, foreign trade, agriculture, forestry, finance, electrification, etc. was sent to Ethiopia to conduct a detailed analysis of the Ethiopian economy in 1955, Yugoslav experts drafted the country’s five-year plan for 1957-1961.<sup>viii</sup> Two big Yugoslav companies were given two major construction projects: the Assab port and the Duke of Harar (Black Lion) Memorial Hospital in Addis Ababa. The fact that the Yugoslav company Pomgrad won the tender for the former over a West German construction firm was partially due to Yugoslavia’s already existing ‘portfolio’ in the area of civil engineering. Yugoslav construction companies first appeared on the international market in 1952 with Pomgrad’s contract for the construction of the Syrian port of Latakia (Silva, 2016; Celmić, 2004), which Gaitachew Bekele, from the Ethiopian Department of Marine went to inspect in 1957 prior to taking the decision on Assab (Bekele, 1993). Most importantly, however, the Yugoslav company proposed to finance 50 percent of the construction cost at only 3 percent annual interest with a ten-year grace period and payment in kind through commodity exports.<sup>ix</sup>

A relative material abundance and technological development landed credibility to the core postulates of Yugoslav socialism: social ownership of the means of production, solidarity and cooperation of the working people and working organisations, and the right of the individual alone or as a member of the working collective to enjoy the fruits of their work and of the material progress of the social community (‘The Constitution of the Socialist Federal Republic of Yugoslavia’, 1963). However, although Yugoslavia subscribed to

import-substitution industrialization and managed to build a relatively robust industry, it was a major importer of new technology from the developed world and a significant part of its industrial production was license-based. For Yugoslav construction experts and workers, the higher salary paid partly in hard/convertible currency was a major incentive to accept work on projects in the South. On the top of the regular salary, workers were entitled to extra pay for overtime work, work during state/religious holidays, night work, use of annual holiday allowance while abroad, cessation of work due to external factors and illness/sick leave up to 30 days (Tešić, 1991, p. 251). Smajo Hadžić (born 1940) worked as power lines' testing station chief accountant at Energoinvest from Sarajevo and he spent time working in Iraq:

Our work in Iraq, and in our other plants, was very specific in that we had our own operation section down there. There, we were directly carrying out the production and installation, so we billed the Iraqi Electrical Utility company for the complete transmission line. They paid us [the company] partly in the local currency, the Iraqi dinar, and that was spent on organizing the logistics of our life and work there, for purchases on the domestic market, those little things we needed and could be sourced from Iraqi factories [...] And then we received approximately 20% that was charged for local works and 80% in US dollars. We were required to report immediately the hard currency revenue [to the Yugoslav authorities] and sell the dollars to the National Bank in Belgrade, and they paid us the equivalent in Yugoslav dinars with a 'stimulation' on top. Those premiums were not small - they were between 19-41% [...] I also had my salary paid in two parts - one part was in Yugoslav

dinars, and the other in dollars. And the part in dollars was paid directly into my account with Jugobanka. So, I managed to save a lot...

The fact that financial rewards and earnings played a central role on individual level might seem contradictory in the context of a non-capitalist, supposedly less profit-oriented socialist corporate approach. However, at the centre of the Yugoslav theory of social ownership of the means of production and associated labour, as well as at the centre of the constitutional provisions regarding the socio-economic system was the distribution of income, or, rather, 'net income' by the companies as organisations of associated labour. According to the foremost Yugoslav political theorist Edvard Kardelj (1982, p. 34), 'the worker's real concern and aim is to distribute the newly created value in the 'net income' so that it will simultaneously *raise his standard of living* and provide the necessary conditions for the further growth of his labour productivity...' In other words, the individual goals of making a good salary were not (seen as being) in conflict, but rather understood to be in harmony with the accumulation of resources by the companies, which were to use these resources to create conditions conducive to further increases in productivity through the implementation of both more strictly economic, as well as broader social and welfare measures and provisions. Moreover, by virtue of its openness for foreign investment, the existence of profit-oriented enterprises, a market-exchange rate for the Yugoslav currency, indicative rather than binding national economic plans and the direct exercise of decision-making power, Yugoslavia was officially classified by the United States as a 'non-state-controlled economy' (Getter, 1990, p. 793).

Hence, Yugoslavia in some way carried a double burden, or, perhaps, a double impetus to excel as a model: it set out to prove that the Yugoslav system of socialist self-management was superior not only to Western liberal capitalism, but also to Soviet state socialism. Since the companies' employees were entitled to the same rights and responsibilities stemming from their roles as self-managers, the Yugoslav construction companies acted as vehicles for the export of the self-managing welfare state abroad. The work and life on the Yugoslav construction sites in the South was organised according to the self-managing framework applied at home. A purchasing and import service/department [*nabavna i uvozna služba*] was tasked with supplying everything that the camp that housed the workforce needed for its functioning as a small self-sustaining town: from food, water, medication, hygiene items, to Yugoslav print media, books, radio, television, and music records (Tešić, 1991, p. 225). Bigger construction sites, such as those in Iraq, had well equipped sports fields with floodlight for night use and health centres, while the smaller ones had at least one or two physicians in residence at all times (Zdravković, 1981, pp. 47-8). Both companies and experts shared the view that 'good food is an important condition for the maintenance of the worker's optimal fitness, good health, work commitment and performance'. All of my interviewees had fond memories of their life on the site and they all agreed that the meals served at the workers' restaurant, prepared by Yugoslav chefs, were of a high standard. Jakob Finci spoke of the specific 'socialist approach' that provided the framework for investment construction in the South:

Taking care of its employees was one of the greatest features of Energoinvest  
- in case of injury, getting an airplane, a helicopter, covering treatment costs  
in Ljubljana and Belgrade, our leading medical centres, or even abroad was

never a problem [...] This gave Energoinvest's workers [abroad] a special sense of security, but also to us who worked here [in Yugoslavia] that we do not have to worry, because [...] Energoinvest will always be there to support you and provide the best possible treatment.

Of course, it was a, I would say, quote-unquote, socialist approach. We even had the other Europeans working in Ethiopia at the time complaining that we were 'spoiling' the [local] work force, because we developed familiarity, say, with the servants we had to have at home, we paid them more than was usual, simply because we were ashamed to pay them \$3 a month, and we paid them \$10 a month, which was three times as much as the other Europeans did and that was why we allegedly spoiled the workforce. However, that was probably [our] socialist mentality, or the socialist spirit, which made that harsh exploitation alien to us - which we see today, and which we encountered at the time in black Africa.

This remarkable quote indicates the extent to which the goals of the Yugoslav state and Yugoslav workers were, once again, as in the area of individual salaries and society-level profit, aligned. It also shows as seriously deficient the stereotype of socialist workers as apathetic or, at best, indifferent to (state) socialist ideas and ideology: far from it, they seem to be imbued with it and proud of it. Indeed, the image that emerges is that of the workers and the self-managed company and the state clearly interested in financial gain through an institutional organization of labor that does not pit welfare against profit, but instead sees them as constitutive of each other.

What Yugoslavia and its developing/non-aligned allies were attempting to do was to redefine and disrupt what they saw as systemically unjust power-relations in the international economic order, in which, even in the late 1970s, the developing countries had a share of less than 7 percent in world industrial production. An order, in which, they were dependent on foreign sources for technology since about 94 percent of the patents were held by developed country individuals or organisations, and economic, or, more precisely, ‘technological colonialism’ prevailed (Rogelj, 1981). The developing nations also argued that their development would benefit the developed market economies (DMEs) as well – an UNCTAD study, for instance, concluded that a 3 percent growth rate in the non-oil producing developing countries would result in an increase of 1 percent in the developed countries – an increase in GNP of \$45 billion per year (Tévoédjèrè, 1981, p. 9). On the occasion of his stepping down as Executive Secretary of the UN Economic Commission for Europe, Janez Stanovnik echoed this line of thought by emphasising that ‘[t]he healthy development of international economic relations originates in enlightened self-interest’ (Stanovnik, 1982). Although generally linked to corporate social responsibility and the public goods paradigm (Keim, 1978), ‘enlightened self-interest’ also embodied the essence of the Yugoslav model of socially-owned, profit-making enterprises that although actively partaking in the international division of labour, were above all considered to be special ‘cells’ of the socio-political system of socialist self-managing democracy, closely linked with the local community through investment of part of their revenue in ‘general public needs’ (Kardelj, 1982, p. 33), in local development, social services and in the welfare of their employees (Prinčič, 2008, p. 34).

*The other 'alliance for progress' - South-South cooperation between solidarity and profit*

While political issues such as decolonisation and political sovereignty defined NAM's agenda in the early 1960s, economic (in)dependence came to dominate the 1970 NAM Lusaka Summit and the following decade. The Summit in Lusaka (Zambia) was the first in six years after 1964 and the concept of 'self-reliance' was introduced in this Summit's resolution as the Movement began to shift its rhetoric away from political towards issues of economics and development. As it was noted, 'the reorientation of the movement's activity resulted from the fact that non-alignment lost force as a unifying catchword for the movement during the 1960s, while at the same time domestic development problems mounted up in many developing countries' (Anell and Nygren, 1980, p. 93). Crucially, UN debates on the second development decade also fed into the discussions within the NAM and the G77. The 1973 Algiers NAM Summit had an even more prominent economic orientation, which led to the adoption of an action programme for economic cooperation. By 1973, NAM membership had increased threefold – from 25 participating states at the 1961 Belgrade Summit to 75 in Algiers in 1973. Since the membership of the NAM and the G77 overlapped significantly, it was not surprising that much of the content of the action programme derived from the positions adopted by the G77. The area in which earlier political claims to sovereignty and anti-imperialism continued to underpin economic debates was the realm of natural resources – the Algiers conference, for instance, endorsed the principle of an unconditional right to manage and nationalise natural resources, leading Algerian President Boumedienne to infer that 'nationalisation is a stage of development' (Anell and Nygren, 1980, p. 97). The



‘Declaration on the Establishment of a New International Economic Order’ adopted by the UN GA at its Sixth Special Session in May 1974 echoed the language of the documents discussed and adopted within UNCTAD and at the 1970 and 1973 NAM Summits. The ultimate goal was to have economic relations and an international cooperation for development based on a partnership between equals, with an equal share in world trade, and not to fundamentally transform the global economic model.

Although the general tone throughout the 1970s was pessimistic, hard data pointed to significant changes: foreign direct investment (FDI) from developing countries in 1980 accounted for 2.7 per cent of the total world stock of FDIs, while in 1960 that share was only 1 per cent. Also, up to 1980, developing countries established between 6,000-8,000 subsidiaries abroad (Svetličič and Rojec, pp. 8-10). Similarly, the share of the world industrial output by countries in the South grew from 2 percent in 1929 to nearly 14 percent in 1975 and exports from these countries grew from some \$18 billion in 1950 to an estimated \$200 billion in 1975 (Patel, 1975, p. 574). However, the share in total world exports by developing countries actually fell - from 31.2 per cent in 1950 to 17.4 percent in 1972, while over the same period the share by the developed market economies rose from 60 percent to 72.3 (Singer and Ansari, 1982, p. 30). Such trends led some prominent voices from the South such as Indian/UN economist Surendra Patel (1975), to go as far as to call for the establishment of a ‘permanent secretariat of the Third World’ - especially since Western countries had the OECD and Eastern Europe had the COMECON. Many of the concerns the developing countries reiterated throughout the 1970s in fora such as the NAM and the G77 were echoed in the 1980 ‘Brandt report’ - officially entitled *North-South: A Programme for Survival* - which was compiled by the Independent Commission on International

Development Issues.<sup>x</sup> The composition of the Commission shows again that the USSR and the COMECON states (with the exception of Romania in certain instances) did not play an active part in the global debate on development in the South and on correcting North-South asymmetries. Experts from European and South non-aligned/developing states and developed market economies such as the US and the UK highlighted issues such as the rise in global poverty, the income disparity between North and South and recommended a number of possible solutions, not least economic cooperation among developing countries, expanding mutual preferential trade schemes, extension of payment and credit arrangements among themselves in order to facilitate trade, strengthening of indigenous technological capacity through the encouragement of a domestic engineering industry, and enlargement of the participation of developing countries in the staffing and decision-making in the IMF (Singer and Ansari, 1982, pp. 253-64). As a contemporary critique of the Report, however, pointed out, its proposals were hardly original or novel and while they might have seemed too radical to the elites in most developed industrial states, they were ‘not audacious enough to deal with the global problems of the 1980s’ (Wionczek, 1981).

In the 1980s, in the context of deteriorating indebtedness in the South, the top Yugoslav construction companies were working on a range of large civil and military infrastructural projects in Latin America, Africa and the Middle East. At the time of the signing of the third phase of the Chira-Piura water management system project in Peru in March 1988 by Energoprojekt (as the main contractor), the total value of works was estimated at over \$500 million (Jakovljević, 1988, p. 1). Energoprojekt’s investment was supported by the Yugoslav Bank for International Economic Cooperation (JUMBES). Created in 1980, it was tasked with promoting ‘Yugoslavia’s foreign economic relations’ and

replaced the 'Export Credit and Insurance Fund' established in 1967 which had a similar mandate of promoting Yugoslav exports and contributing to the development of economic relations of Yugoslavia with other countries by extending credits for exports of capital goods of Yugoslav origin and by insuring Yugoslav exports against non-commercial and commercial risks.<sup>xi</sup> However, it was the oil-rich countries of Iraq and Libya that became the most important economic partners of Yugoslavia in the developing world, both in terms of trade and in terms of investment construction abroad. Even before the 1969 coup led by Muammar Gaddafi, Yugoslav construction firms were present in Libya – 1,930 out of the 3,900 Yugoslav citizens temporarily residing in Libya in 1968 were employees of companies involved in civil engineering and other construction projects.<sup>xii</sup> After the coup, the Yugoslav firm working on the King's villa in Sirte was ordered to suspend its project. Yugoslav workers at construction sites in the area of Tobruk were at risk of being left with no food and other basic supplies, while other companies ran out of construction material supplies because cargo ships were delayed or foreign partners suspended the shipping.<sup>xiii</sup> Nevertheless, representatives of the Revolutionary Command Council reassured the Yugoslav diplomats in Tripoli that they were committed to further improving their relations with Yugoslavia, that they valued the work of Yugoslav experts and firms in Libya, and expressed their respect for Tito and the Yugoslav government, underlining their gratitude for the Yugoslav aid 'to our Arab brothers'.<sup>xiv</sup> Libyan officials also approached Yugoslavia with requests for sending their cadets for military training/education in Yugoslavia and, finally, Yugoslavia was among the first non-Arab states to recognise the new regime.

In the early 1980s, the value of completed projects in Iraq and Libya was close to 50 percent of the total construction works carried out in the developing world for the former and

on the African continent for the latter (Zdravković, p. 19). In 1983 alone, Yugoslav construction firms concluded contracts with the Libyan authorities worth \$540 million.<sup>xv</sup> Some of the major projects undertaken by consortia of Yugoslav and other European or international construction companies (as planners, (sub)contractors or suppliers of equipment) in the South throughout the 1980s included: a range of dams, power plants and irrigation systems in Iraq (Mosul, Al Shemal, Hemrin, Haditha, Badush I and II, Bekhme, Badra Jassan), power lines and electrification projects in Panama, Togo, Nigeria and Thailand, highways and roads in Malaysia and Uganda, residential and other urban investment (hospitals, military academies, residential complexes, conference centres, hotels) in Iraq, Libya, Kuwait and Zimbabwe, and last but not least, a range of code-named military projects in Iraq (Project 2000 – an underground command bunker, 202C – an air base in Al Anbar with hardened aircraft shelters better known as H-3, P-946 – an electromagnetic isotope separation facility, Project 202B – Qadisiyah/Al Asad Airbase).<sup>xvi</sup> Gradually, however, Yugoslav companies and experts began to endorse a decrease in the numbers of Yugoslav/domestic construction workers sent abroad because of the higher costs compared to hiring local labour or workers from other developing countries (such as China, Pakistan, Thailand, Egypt, or Turkey). They argued for a ‘minimal’ participation of Yugoslav workers (Savez društava građevinskih konstruktera Jugoslavije, 1985, p. 153). Even earlier in the decade, many companies, such as Energoprojekt, responded by hiring more Pakistanis, Indians and Taiwanese as equipment operators or truck drivers, as their salaries of \$200-300 a month were at least five times lower than the \$1500-2000 a Yugoslav worker would get (Tagliabue, 1983). This should be viewed as part of a wider shift in the mode of thinking about economic and technological cooperation in the developing world that occurred in the

1980s. Under the burden of skyrocketing interest rates and rising debt, the thin line between economic viability and solidarity was put under scrutiny. Although it was acknowledged that economic cooperation among developing countries must include the protection of the weaker partners and economic viability should not be mixed with solidarity, ‘self-reliance and collective self-reliance, together with ECDC [was] to become basically an economic strategy, implying however, certain elements of solidarity’ (Svetličič and Rojec, p. 113).

By the late 1970s, and in particular following the oil crises and the 1979 Havana NAM summit, there was a growing sense that non-aligned solidarity had begun to erode.<sup>xvii</sup> Archival documents reveal an acute awareness among the Yugoslav elite, and on the part of President Tito, about the unravelling of NAM unity. During a meeting with Muammar Gaddafi in 1977, Tito lamented the fact that a lot of the positive ideas and decisions agreed at official NAM summits never got implemented; that the NAM countries must commit to a peaceful resolution of bilateral conflicts and disagreements and that some of the member states indeed have reactionary regimes: ‘No one can say that Saudi Arabia is a progressive country only by virtue of being non-aligned. It is really only an extended arm of the USA’<sup>xviii</sup>. At the same time, several of the large Yugoslav investment construction companies were owed by Libyan investors/companies \$22 million, an issue that was raised at the highest level when Muammar Gaddafi paid an official visit to Belgrade in 1977.<sup>xix</sup> A record of a meeting between Tito and the UNCTAD Secretary-General Gamani Corea from that same year provides further illustration and captures the sense of disillusionment with the incongruous behaviour of some of the NAM members: ‘Among the non-aligned there are rich nations which unwillingly give [financial] aid. They make promises that they don’t fulfil. The increase of oil prices by those states had a negative impact on the other developing nations,

and in particular on the least developed...’ Tito further expressed concerns over the fact that primary commodity producers from Asian and African countries chose to trade through the London stock exchange, often selling to other developing countries, with the profit remaining in London. Moreover, instead of investing in the less developed nations, the rich NAM/OPEC states deposited their foreign currency in Western banks.<sup>xx</sup>

Yugoslavia’s growing, though not overt, disillusionment regarding the integrity of the Movement continued in the 1980s (especially following the Iran-Iraq war and Gaddafi’s state terrorism), as did repayments in oil for investment construction works carried in Libya and Iraq. The 1986 NAM Harare Summit was explicit in condemning the Iran-Iraq conflict and the final Political declaration demonstrated that many non-aligned members were critical of Iraq’s use of chemical weapons (Foreign and Commonwealth Office, 1986, p. 2). In Yugoslavia, it was acknowledged that, ‘Arguments and justifications for the invasion of Kuwait can’t compare to those for the invasion of Iran, and it’s indicative of the aggressive intentions of Iraq [...] a clear conquest with strategic goals’ (Dežman, 1990, pp. 22-30). Kuwait, on the other hand, was one of the main creditors of Yugoslavia and member of the Paris Club for Yugoslavia. Moreover, immersed in an interlocked chain of debt, global decline in oil prices, conflict and sanctions (initially for Iraq and Libya and later for Yugoslavia), by the beginning of the 1990s these countries had become the casualties in their own pursuit of collective self-reliance. In June 1989, nine Yugoslav companies, including Energoprojekt and Energoinvest, filed a lawsuit against the Yugoslav state for not settling the companies’ oil claims in the agreed timeframe, since as of 1982 Libya was paying for all construction projects in oil (*Energoprojekt*, 1989, p. 3). Similarly, in 1990, the last Yugoslav Prime Minister Ante Marković struck an agreement with Iraq that Yugoslavia would get \$425

million worth of oil for overdue claims (3.2 million tons of oil at \$17.6 a barrel), but by the beginning of the Gulf War it received only \$171 million or 1.3 million tons. With projects under way in Iraq and Kuwait worth an estimated \$3 billion in 1990, Yugoslavia was supposed to get half of that - \$1.6 billion over the next four years for completed projects and delivered equipment (Dežman, 1990, pp. 34-5). Smajo Hadžić recalled this final phase and talked with a sense of compassion about Iraq's conflict and devastation, which coincided with the end of Yugoslavia and with a radical rupture in his own personal life trajectory:

At one point we were in crisis - Iraq is at war with Iran, the war lasts for 8-9 years, and they were also financially weakened. And then they said: 'Why don't we pay you in oil instead of dollars?' And we agreed [...] When our war broke out here, we were owed by everyone – by Iraq, Iran, Indonesia, Malaysia, Zambia, Zaire [...]

When they mention now [on television] those cities down there... Mosul, Kirkuk, Baiji, then Samarra, all of those cities – Fallujah, Baghdad, all that is happening there now, I am familiar with all of them, because I have been to each and every one of those cities...

Debt aside, the main challenges faced by those Yugoslav companies (and the Yugoslav government) present in Iraq on the eve of the Gulf War was the evacuation of almost 10,000 workers, their re-employment at home and the expenses around the conservation of the operation/construction sites and machinery in Iraq. Andre Gunder Frank (1992, p. 274) listed the loss of remittances for the guest workers from other developing countries in Iraq and the

fact they had to return home penniless only to increase the numbers of the unemployed, as one of the ‘many important casualties even before the first shot was fired’.

Yet, despite a general perception of the 1980s as the ‘lost decade’, many of the initiatives regarding cooperation and development were taken up and upgraded throughout the period. The high-level Meeting on Economic Cooperation among Developing Countries which took place in Cairo in 1986, decided to name the UNDP administered Trust Fund after the late Manuel Perez-Guerrero, a fund that became known as the Perez-Guerrero Trust Fund on Economic and Technical Cooperation among Developing Countries (PGTF). Two years later, in April 1988, Yugoslavia hosted the Ministerial Meeting of the Negotiating Committee on the Establishment of a Global System of Trade Preferences (GSTP) among developing countries and the Yugoslav Government was the depositary of the ensuing ‘Agreement on the Global System of Trade Preferences among Developing Countries’ (Ahmia, 2015, p. 377). The Agreement was negotiated by 48 developing countries (including Yugoslavia and Romania), members of the G77, and entered into force in 1989. Its main aim was to promote mutual trade, enhance economic cooperation, and it was reserved for the exclusive participation by developing countries that were members of the G77. Another initiative that sprung up from negotiations within UNCTAD in the second half of the 1970s and became effective in the same year (1989) was the Common Fund for Commodities (CFC). However, as the new decade of the 1990s dawned, a sense that the world is ‘linked in an asymmetrical and skewed manner’ persisted (Nyerere, 1990, p. 8). The 1990 *Report of the South Commission*, whose Chairman was Julius Nyerere and Secretary-General the future Indian Prime Minister Manmohan Singh, addressed a growing conviction that the struggle for



political and economic independence needed to continue ‘through self-reliant development and South-South co-operation’.

## **Conclusion**

The four decades during which the geopolitical map of the world was fundamentally redrawn, when new global hierarchies of nation-states and citizenships emerged and disappeared, constituted a period during which previously inexistent global actors asserted their claims and agency and attempted to disrupt long established patterns of economic dominance and dependence. This paper addressed the role that Yugoslavia and the developing nations played in charting the contours of what they envisaged as a new, more just economic order rooted in policies such as collective self-reliance and robust economic and technological cooperation among the developing countries. It also demonstrated how, at the same time, these countries actively partook in the ‘international division of labour’ within the framework of a ‘transnationalised capitalism’, essentially vying for a greater share in world trade. This was illustrated through the rise of large-scale civil and military engineering investment projects and labour mobility, which occurred at the intersection of context-specific manifestations of global and hierarchical citizenship. The paper also addressed the specificities of the migrant labor experience that accompanied these projects. What made it different from other types of migrant labor and hence relatively unique, was the specifically socialist export of the welfare state. Indeed, contemporary poor labor rights and widespread precarity in the post-Yugoslav region contribute to a generally positive remembering of the

working and living conditions during socialism among different categories of workers (Bonfiglioli, 2014).

While some of the developing countries, in particular the oil-exporting ones, managed to disrupt temporarily patterns of Western domination, conflict, debt and shift in global hierarchies put an end to a post-war/post-colonial alliance that did not disappear, but had to find a new direction, readjust and reinvent itself. The rise in debt in the global South in the 1970s and 1980s is usually portrayed as a largely isolated phenomenon related to (ir)responsibility of domestic elites, without the indispensable contextualisation and an acknowledgement of a transnational chain of events. This has led to a relative disregard of the fact that the crisis of free floating exchange rates, stagflation/recession in the developed world, spiralling interest rates on commercial bank loans and a steep increase in current account deficits in the developing world, put a disproportionate burden on the developing nations.<sup>xxi</sup> Writing in 1980 and reflecting on the results of a report prepared by Sidney Dell and Roger Lawrence, Gamani Corea, Secretary-General of UNCTAD, underlined that the ‘developing countries have been faced with a burden of [balance of payments] adjustment out of all proportion to the degree of their responsibility for the international disequilibrium that has prevailed in recent years’ (Dell and Lawrence, 1980, p. viii).

With the new geopolitical realignments at the end of the Cold War, the core ideas that had sustained this non-Western ‘unity of opposition’ and guided most of the initiatives on the democratisation of international economic relations, began to fade away or lose relevance in a world that celebrated the triumph of liberal democracy, set up market-driven structural adjustment programs, deregulation and spurred the abandonment of import substitution

industrialisation under what came to be known as the ‘Washington consensus’ (Kentikelenis, Stubbs & King, 2016).<sup>xxiii</sup> Yugoslavia itself had subscribed to import liberalisation as part of its 1988 stabilisation package and standby arrangements with the IMF and by the end of 1989 only 13 percent of goods remained subject to quotas compared to 46 percent two years earlier (Kovač, 1991, p. 173).

An excerpt from the *Report of the South Commission* (Nyerere, 1990, pp. 9-10) echoes not only the new UN ‘Sustainable Development Agenda’, but also the ideas behind the new ‘post-neoliberal’ political projects and what has been termed ‘the return of the developmentalist state’ (Grugel and Riggirozzi, 2012). More crucially, however, it captures, on the one hand, the sense of hope and ambition that underpinned the projects and initiatives discussed in this paper, but also the underlining goal of having an equal share in the existing international order of ‘global interdependence’:

‘The South’s goal is a world of equal opportunities in which criss-crossing lines of interaction – political economic, social, cultural, scientific – may sustain global interdependence; in which nations in their variety would work together in pursuit of jointly agreed goals; in which peace, security, and dignity would be the birthright of all persons and all peoples; in which all can take advantage of the advances of science; and in which the world’s resources may be prudently used to satisfy the needs of all and not merely the narrow self-interest of a few.’

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<sup>i</sup> S. Bott, et al. (Eds.) (2016). *Neutrality and Neutralism in the Global Cold War: Between or within the blocs?* London/New York: Routledge; R. Kullaa. (2012). *Non-Alignment and Its Origins in Cold War Europe: Yugoslavia, Finland and the Soviet Challenge*. London: I.B. Tauris; G. Garavini. (2012). *After Empires: European Integration, Decolonization, and the Challenge from the Global South, 1957-1986*. Oxford: Oxford University Press. For a perspective from the 'Global South', see: See S. Tan & A. Acharya (Eds.) (2008). *Bandung Revisited: The Legacy of the 1955 Asian-African Conference for International Order*. Singapore: NUS Press.

<sup>ii</sup> For a contemporary account and critique of the use of the term, see: L. Wolf-Phillips. (1987). Why "Third World"? Origin, Definition and Usage. *Third World Quarterly*, 9(4), 1311-1327. Swedish economist Gunnar Myrdal critiqued 'the escape into terminology that is thought to be more diplomatic', i.e. the use of euphemisms such as 'developing countries' when actually what is meant is 'underdeveloped': G. Myrdal.

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<sup>iii</sup> The original signatories of the 15 June 1964 'Joint Declaration of the Seventy-seven developing countries' were: Afghanistan, Algeria, Argentina, Bolivia, Brazil, Burma, Burundi, Cambodia, Cameroon, Central African Republic, Ceylon, Chad, Chile, Colombia, Congo (Brazzaville), Congo (Leopoldville), Costa Rica, Cyprus, Dahomey, Dominican Republic, Ecuador, El Salvador, Ethiopia, Gabon, Ghana, Guatemala, Guinea, Haiti, Honduras, India, Indonesia, Iran, Iraq, Jamaica, Jordan, Kenya, Kuwait, Laos, Lebanon, Liberia, Libya, Madagascar, Malaysia, Mali, Mauritania, Mexico, Morocco, Nepal, Nicaragua, Niger, Nigeria, Pakistan, Panama, Paraguay, Peru, Philippines, Republic of Korea, Republic of Viet-Nam, Rwanda, Saudi Arabia, Senegal, Sierra Leone, Somalia, Sudan, Syria, Thailand, Togo, Trinidad and Tobago, Tunisia, Uganda, United Arab Republic, United Republic of Tanganyika and Zanzibar, Upper Volta, Uruguay, Venezuela, Yemen and Yugoslavia. See: M. Ahmia (Ed.) (2015). *The Collected Documents of the Group of 77 [Volume VI: Fiftieth Anniversary]* New York: Oceana/Oxford University Press.

<sup>iv</sup> The orientation of Yugoslav companies towards foreign markets and cooperation with the developing world stemmed from the country's economic reforms in the 1960s, including openness for foreign investment in the form of joint ventures: up to 49 percent of equity participation by multinational corporations/foreign capital was allowed. Between 1967 and 1980 199 joint ventures were signed with partners from the US and the EEC. In 1968 Yugoslavia established diplomatic and economic relations with the European Economic Community (EEC). Also, Yugoslavia began to participate in the work of the Organisation for European Economic Co-operation (OEEC, later OECD) in 1955 as an observer. In 1961 the OECD invited the Yugoslav authorities to participate as full members in the work of the Economic and Development Review Committee. However, the federal constitutions stipulated that workers companies which make use of resources invested by foreign persons have the same socio-economic and self-management rights as workers in domestic organisations of associated labour.

<sup>v</sup> Archive of Yugoslavia (hereafter AY), *Kabinet Predsednika Republike*, I-3-c/8, 'Razgovor sa poslovnim ljudima /Biznis Internešenel/ Beograd, 8 maja 1968'.

<sup>vi</sup> Diplomatic Archive of the Ministry of Foreign Affairs of Serbia (hereafter DAMFA), PA 1966 (UN), F-204/429375/Druga konferencija Ujedinjenih Nacija o trgovini i razvoju. Međuresorska radna grupa za pripreme druge konferencije UN o trgovini i razvoju. Beograd, 17 avgust 1966.

<sup>vii</sup> AY, *Kabinet Predsednika Republike*, I-4-a/1, 'Završni izveštaj pripremnog sastanka Konferencije Šefova Država ili Vlada neangažovanih zemalja, 12 jun 1961'.

<sup>viii</sup> DAMFA, PA 1968 (Ethiopia), F-32/47187/'Etiopija – potsetnik za razgovore, Beograd, 25 januar 1968 godine, IV uprava DSIP-a. Ekonomski odnosi posle II svetskog rata.'

<sup>ix</sup> DAMFA, PA 1968 (Ethiopia), F-32/47187/'Etiopija – potsetnik za razgovore, Beograd, 25 januar 1968 godine, IV uprava DSIP-a'.

<sup>x</sup> The Commission was chaired by Willy Brandt, former Chancellor of West Germany. It began work in December 1977 and the Commission's members were: Abdlatif Y. Al-Hamad (Kuwait), Rodrigo Botero Montoya (Columbia), Antoine Kipsa Dakoure (Upper Volta), Eduardo Frei Montalva (Chile), Katherine Graham (USA), Edward Heath (UK), Amir H. Jamal (Tanzania), Lakshmi Kant Jha (India), Khatijah Ahmad (Malaysia), Adam Malik (Indonesia), Haruki Mori (Japan), Joe Morris (Canada), Olof Palme (Sweden), Peter G. Peterson (USA), Edgard Pisani (France), Shridath Ramphal (Guyana), Layachi Yaker (Algeria). Ex officio members: Jan Pronk (Netherlands), Goran Ohlin (Sweden), Dragoslav Avramovic (Yugoslavia). Avramović headed a Yugoslav mission to the World Bank in 1949 and later served as Governor of the Yugoslav Central Bank, as an expert at the World Bank and at UNCTAD.

<sup>xi</sup> AY, *JUMBES* [Yugoslav Bank for International Economic Cooperation], 'Basic Information on the Export Credit & Insurance Fund, Belgrade 1977'.

<sup>xii</sup> DAMFA, PA 1969 (Libya), F-216/45793/'Izveštaj o radu konzularne službe u 1968 godini, Tripoli, 28.I.1969'.

<sup>xiii</sup> DAMFA, PA 1969 (Libya), F-216/488329/'Položaj naših gradjana na području Kirenaike posle revolucije od 1. Septembra ove godine, Ambasada SFRJ, Kancelarija u Bengaziju, 14. oktobar 1969'.

<sup>xiv</sup> DAMFA, PA 1969 (Libya), F-216/433380/'Šifrovani telegram, Tripoli, 16.IX.1969'.

<sup>xv</sup> DAMFA, PA 1983 (Libya), F-67/413619/'Ambasada SFRJ Tripoli, 27.3.1983, SSIP-u'.

<sup>xvi</sup> Iraq and Libya were also among the main buyers of Yugoslav military equipment. The Yugoslav arms industry was a major source of revenue for the state, not least because it was one of few developing countries to produce submarines and military fighter jets. The Galeb light fighter bomber was used for training purposes even by the US Air Force, while the M-84 tank was exported to Kuwait and used during Operation Desert Storm. All Yugoslav military aircraft used Rolls-Royce (Bristol) Viper turbojets which were produced under license by the Yugoslav aircraft manufacturer Soko. The break-up of the country also disrupted export deals of the latest generation of G-4 Super Galeb jets to Indonesia, Malaysia, Singapore and the US. See, e.g. M. Vasconcelos. (2013). *Civil Airworthiness Certification: Former Military High-Performance Aircraft*. Washington DC: Federal Aviation Administration; C. Chant. (2013). *A Compendium of Armaments and Military Hardware (Routledge Revivals, first published in 1987)* London: Routledge. <http://www.muzejvazduhoplovstva.org.rs/ekspoziti.php?jez==eng&id=35>; [http://www.nti.org/media/pdfs/iraq\\_nuclear.pdf?\\_id=1316466791](http://www.nti.org/media/pdfs/iraq_nuclear.pdf?_id=1316466791)

<sup>xvii</sup> See, e.g.: P. R. Odell. (2013). *Oil and World Power*. London: Routledge Revivals; E. Bini, G. Garavini, F. Romero (Eds.) (2016). *Oil Shock: The 1973 Crisis and its Economic Legacy*. London: I.B. Tauris.

<sup>xviii</sup> AY, *Kabinet Predsednika Republike*, I-3-a/69-18, 'Zabeleška o razgovoru Predsednika SFR Jugoslavije Josipa Broza Tita i pukovnika Muamera el Gadafiga, Brioni, 22.VI.1977'; 'Zabeleška o razgovoru Predsednika SFR Jugoslavije Josipa Broza Tita i pukovnika Muamera el Gadafiga, 23.VI.1977, ŠB „Galeb“'.

<sup>xix</sup> AY, *Kabinet Predsednika Republike*, I-3-a/69-18, 'Podsetnik o nekim problemima ekonomske saradnje sa Libijom'.

<sup>xx</sup> AY, *Kabinet Predsednika Republike*, I-3-b/52, 'Zabeleška o razgovoru Predsednika Republike Josipa Broza Tita sa Dr Gamani Koreom, generalnim sekretarom UNCTAD-a, u Beogradu, 8 juna 1977'.

<sup>xxi</sup> Yugoslavia's debt problem was due to a combination both of domestic and international developments: because of its highly decentralised/confederative set-up, with time and especially after the economic reform of 1968 and the 1974 constitutional changes, individual republics and autonomous provinces forged separate links with foreign partners, international borrowing was liberalised and 'de-etatised' and many smaller, republics'-based banks and companies could borrow abroad (in particular after the oil crisis and the recycling of 'petro-dollars') without the Yugoslav National Bank or the federal government acting as guarantors. For an analytical overview of the Yugoslav debt problem, see: M. Cemović. (1985). *Zašto, kako i koliko smo se zadužili? Kreditni odnosi Jugoslavije sa inostranstvom*. Beograd: Institut za unapređenje robnog prometa. See also: *Human Development Report 1990*. New York/Oxford: UNDP/Oxford University Press.

<sup>xxii</sup> <sup>xxii</sup> See: N. Gilman. (2015). The New International Economic Order: A Reintroduction. *Humanity*, 6(1), 1-16; S. S. Mehta. (1980). Non-alignment and New International Economic Order. *Foreign Trade Review*, 15(2), 137-147; D. Hill, N. Wald & T. Guiney (2016). Development and neoliberalism. In Simon Springer et al. (Eds.), *Handbook of Neoliberalism* (pp. 130-42) London: Routledge.