



UDC 364.658+304(497.11)(497.16)
Manuscript received: 15.03.2015.
Accepted for publishing: 05.05.2015.
Review article

Serbian Political Thought
No. 1/2015,
Year VII, Vol. 11
pp. 149-171

Ana Čekerevac¹

Faculty of Political Sciences, University of Belgrade

Natalija Perišić²

Faculty of Political Sciences, University of Belgrade

Emerging of the Socialist Welfare States in Serbia and Montenegro

Abstract

The socialist welfare states of Serbia and Montenegro have been gradually developing in the post War period. Despite the new, Marxist paradigms, the welfare states were embedded in the previously existing social “infrastructures.” Therefore, the paper starts from the institutional theoretical framework and especially, path dependence concept, with a view to exploring the trajectory of changes in the welfare states from capitalism to socialism. The focus of the paper is on social insurance principle and welfare providers. While there was a path reproduction regarding the social insurance, there were variations regarding the welfare providers.

Key words: labourers, social insurance, socialism, welfare state.

Introduction

The year of 1929 denoted two negative developments for the Kingdom of Yugoslavia: the end of a liberal political system due to the abolition of the Vidovdan Constitution by the King Aleksandar Karađorđević and the introduction of his autocratic rule as well as the end of its economic development due to the world economic crisis which literally destroyed the Yugoslav’s fragile industrial growth. Clearly, the econom-

1 Professor
ana cekerevac@fpn.bg.ac.rs

2 Assistant Professor
natalija.perisic@fpn.bg.ac.rs

ic and political contexts of welfare provision were highly unfavourable, while the governing ideology on social policy was based on positivist views which were in favour of reforms with a view to alleviating social problems within the existing systems. Contrary to that, the labour movements were inspired by socialist values and therefore primarily engaged in solving social problems of labourers and poor farmers. Their activities were motivated by a radical and more rapid improvement of living and working conditions, however without a developed and consistent theoretical framework of national scholars.

The end of the II World War denoted the beginning of the development of the socialist society, which required changes in the then existing political, economic and social structures. The ideological fundamentals of reforms were contained in the Marxism, with subsequent modifications by a specific socialist self-management concept, which resulted in the so-called soft socialism or socialism with a human face. During the socialism, the welfare state programmes were defined extensively in terms of their (at least declarative) orientation toward the totality of living and working conditions of the population (Lakićević 1991). Albeit the welfare state was based on Bismarck's principles of social insurance, it was redefined by the elements of redistribution and equality, with the dominant role of the Government and Communist Party in the welfare provision and monopolistic position of public agencies.

The main intention of the paper is to research into the quality of changes in the welfare state, i.e. to contrast and to "contrast" capitalism against socialism and to find the connecting points and linkages, as well as the differences, between the two of the abovementioned phases. In doing so, the authors structured the paper into four sections. The first section is focused on the path dependency theory, in order to provide for a basis for the understanding of obstacles and opportunities for the developments in the welfare sector in the period from 1929 to 1956. The second section presents the views of national social policy of impact on the social policy creation and practice during the time. It is followed by the analysis of the evolution of welfare institutions in the mentioned period in the societies of Serbia and Montenegro in the third section. The final, fourth section brings to the focus the dominant welfare providers, their main activities and vulnerable groups.

1. Theorizing Path dependence concept

This section highlights the path dependence concept, one of potentially applicable frameworks to the development of welfare institutions in Serbia and Montenegro in the period from 1929 to 1956. Although analysts are inclined to invoke this concept, its clear definitions are rare (Pierson 2000: 252). Outside the world of social sciences, research on economics of technological change highlighted some of the circumstances conducive to path dependence, the most persuading examples being the QWERTY keyboard and VHS videotape format. Along with that, mathematics of probability offered another argument in favour of path dependence concept, presented with the Paul Pierson's use of the "Polya Urn" (Pierson 2001; Greener 2002; Harrison, Dowswell, Pollitt, Bal, Jerak-Zuiderent 2008).

In the common interpretations related to political science, path dependence means that current and future states, actions and decisions depend on the path of previous states, actions and decisions. The adoption of the looser definition helps us to avoid a strong determinism, and at the same time, provides us with a useful knowledge of causal relationship between present and past measures. But, on the other hand, it seems too loose for the practical application and barely mirrors common belief that "history matters".

James Mahoney criticises vague definitions of path dependence that say little more than "history matters". To define the concept only as a form of 'path analysis' does not demonstrate why path-dependent patterns and sequences merit special attention, he claims. Instead, Mahoney defines path dependence specifically as "historical sequences in which contingent events set into motion institutional patterns or event chains that have deterministic properties". This implies that the identification of path dependence involves both tracing a given outcome back to a particular set of historical events, and showing how these events are themselves contingent and cannot be explained on the basis of prior historical conditions. In consequence, since contingency cannot be established without theory, the specification of path dependence is always a theory-laden process, meaning that 'deviant case studies', which analyse cases where an outcome predicted by theory did not occur, offer one interesting form of analysis of path dependence" (Mahoney 2000: 507–8).

There are, however, narrower and stronger interpretations that insist on the fact that the proceeding steps in a particular direction induce the further movement in the same direction (Pierson 2000). This view is reflected in the approach of Paul Pierson, whose interpretation is “more or less mid-way between strong and weak path dependence” (Timonen 2003: 25). His increasing returns argumentation, as summarized by the author, is such as follows:

“Specific patterns for timing and sequence matter; starting from similar conditions, a wide range of social outcomes may be possible; large consequences may result from relatively ‘small’ or contingent events; particular courses of action, once introduced, can be virtually impossible to reverse; and consequently, political development is often punctuated by critical moments or junctures that shape the basic contours of social life” (Pierson 2000: 251).

Based on Brain Arthur’s argumentation, Pierson offers a four-dimensional explanation to this “behaviour”: large set-up or fixed costs, learning effects, coordination effects and adaptive expectations (Pierson 2001: 415), tending to have lock-in implications.

Path dependence can be positioned at different levels, from the institutional, to the cultural and the socio-economic levels. Pierson mainly concentrates at the institutional and socio-structural levels, explaining that there are three characteristics of politics, which makes it susceptible to increasing return processes: density of institutions, collective actions problems and complexity of political processes (Pierson 2000). Policies and institutions are naturally highly resistant to changes and history often has a very strong influence on future developments. There is a strong inertia within the political organizations that represent an important barrier to change, and significantly contributes to drawing from pre-existing solutions, rather than considering the new ones (Pierson 2000). The very issue is often what North calls “the interdependent web of an institutional matrix” (North 1990) which produces massive increasing returns. This implies that the probability of further proceeding along a particular path increases with time as the benefits of doing so increase, or the costs of exit become more prohibitive (North 1990). The path dependent process will often be the most powerful not at the level of individual organization or institutions, but more at the macro level that involves complementary configurations of organizations and institutions.

This does not mean that changes are impossible, “but that it will be bounded change” (Pierson 2000: 265). The world is not static, major breakthroughs are realistic and Peter Graefe brings into the arena the question of “how social forces intervene to re-articulate institutions in order to make new trajectories possible” (Graefe 2004: 7). Here, Ruan and Todd’s requirements for the demonstration of actual existence of path dependence are useful. They required a clear identification of three sets of factors: a phenomenon that is claimed to be path dependent; a “critical juncture”; and mechanisms in support to the lock-in effect (Graefe 2004: 7). Having in mind the complex nature of each of the factors, one can confront numerous methodological problems in the analysis driven by this concept. It means that in order to understand the welfare state restructuring and reforms, among other things, the mayor “critical junctures” have to be identified. The term has been subjected to wide interpretations. Certain scholars interpret them in terms of “brief and small events that occur at the very beginning of the temporal process under examination” (Cheiladaki-Liarokapi 2007: 9–10), contrary to others thinking of them as “important events such as wars, natural disasters or economic collapses” (Spiker 2013: 325). While it seems that their “magnitude” is not that important, their essential characteristic is “their ‘openness’ and ‘permissiveness’ compared to the ‘closed’ and ‘coercive’ nature of the later stages” (Pierson 2004: 51). Competing views in the interpretations of other of the abovementioned factors brings into the arena additional difficulties in the analysis. Still, many developments in social policy have been placed satisfactorily into the context of the path dependence concept. The most frequently presented example of path dependent development is of pension policies. The end result of the argumentation is that the public pillar will be very hard to be reformed, contrary to recently introduced other pillar(s) (Cousins 2005: 165).

2. Theoretical Background to National Social Policies

At the beginning of the period in question of this paper, but also for longer, social policy theory in Serbia and Montenegro was existent to a limited extent, within the broader underdevelopment of social sciences in the two societies in general. What’s even more, the reflections of the theories and evidence to social policy practice (i.e. regulations and

measures) were also limited, if any. First of all, the scholars dealing with social policy were rather rare and second, their theoretical contributions were fragmented. Unsurprisingly, they frequently agreed on the facts and the need to take social policy measures, however, with differences on the types of measures to be implemented, depending on their acceptance of classical civil theories or Marxist views on society. In the text that follows, theoretical contributions of Dragoljub Jovanović, Ilija Perić, Ivan Vujošević and Slobodan Vidaković are to be presented as an illustration of the social policy topics debated by theorists more or less prone to Marxist ideas in the societies before the Second World War.

Dragoljub Jovanović placed the focus of social policy on those who are socially weak, defined as “all those whose survival or development is jeopardized due to their weak economic position [...] and social policy is therefore a defence of economically and socially weak from capitalists and capitalism [...] conceived as a sum of public efforts and measures with a view to protecting socially weak from the exploitation by socially stronger and making them capable for the economic and overall fight in the life” (Jovanović 1931: 2-3).

Jovanović’s left and activist position is clear from the above statements, but it is even more pronounced in his thoughts on the roles of social policy in capitalist and socialist societies. He starts from the claim that the social policy is much more compatible with the aims and values of a socialist order, to conclude that

“the social policy looks very much like socialism. Therefore many say: realize social policy to its ends, and you will have socialism. Other, less prone to such an idea say: who is in favour of social policy, he works on behalf of socialism, intentionally or unintentionally” (Jovanović 1931: 24).

Within the context of capitalism, Jovanović was especially interested in the role that social policy had in its transformation as a consequence of the Great economic depression. He thought that the crisis from 1929 to 1934 brought the liberal capitalism to an end and that it calls for the state interventions in economy and social policy. The argumentation for this, he found in the US New Deal Package under the President Franklin Roosevelt (Lakićević 1976: 26).

Ilija P. Perić put a lot of his efforts into the definition of social policy and analysis of social regulations. He classified social regulations in two types: the narrow one and the wide one. Social regulations in the nar-

row sense relate to the labour legislation, i.e. labour relations, safety at work and social insurance, while the social regulations in the broader sense relate to the protection of the poor, materially deprived and those incapable of work, elderly, handicapped soldiers and children (Lakićević 1978: 262-263). Perić was interested in social policy practice as a form of an applied social policy “presenting a sum of all those measures taken by the public authority or individuals under the auspice of the public authority, with a view to spiritual enriching and economic protecting of the population as wide as possible” (Perić 1931: 5-6).

Ivan Vujošević used the term of socially weak as the focus of social policy, however with significant modifications to its meaning, compared to Jovanović. An “innovation” is that the socially weak also include “those who are not economically weak [...], i.e. those who could have better life than they currently have, but who cannot or do not want to make it better” (Vujošević 1940: 5). He thought that the state should not be the only, but that it should be the main welfare provider. The state should transfer some of its obligations to the local communities (municipalities and duchies) and functional communities (social insurance services and employment services), but also to the humanitarian organizations (which were conceived as public-private institutions of that time).

Slobodan Vidaković compared the characteristics of the national social policy during the period before and after the First World War to conclude that the social policy of the 1930s clearly reflects the consequences of the crisis. Contrary to its low visibility prior to the crisis, it is “no longer a political décor, nor party nobles, but the basic and obligatory state wisdom par excellence” (Vidaković 1932: 43). He found the reasons for that in aggravated social problems and increasingly stronger labour movement. The position of the children, especially of labourers and of the poor, he saw as the most striking social problem in the society, along with the position of apprentices (Lakićević 1976: 37).

In his introduction to the characteristics of Social Policy Thought between the two wars in Yugoslavia, Dušan Lakićević writes that

“underdeveloped and without significant heritage from the national level, and therefore, mostly inspired by the practice and thoughts out of the country, especially of Western European countries, social policy thought of ex-Yugoslavia reflected social and economic conditions and intellectual climate in the country, while the different interpretations resulted from different ideological orientations of the scholars, with

divergent thinking of the contents, roles, aims and methods of social policy” (Lakićević 1976: 9).

However weak, the impact of Jovanović, Perić, Vujošević and Vidaković, but also of other scholars, was not confined only to the period before the Second World War. It was reflected in the period after the War to the extent of the presence of Marxism-like premises in their views on social policy.

Another, more striking characteristic of the national social policy theory in the post-War period (all the way until the end of the period in the focus of this paper) is an absence of national scholars, but dominant, if not exclusive presence of the thoughts of Karl Marx, Friedrich Engels and Vladimir Ilic Lenin, albeit within the interpretation of the Communist Party, personified by Josip Broz Tito, the President of Yugoslavia. Unsurprisingly, all of the mentioned translated into a coherent, Marxist theoretical background, with consequent rejection and negligence of any of the alternative views, most notably in the 1940s, but also at the beginning of the 1950s. This period was characterized by strong resilience to any of the modifications of the hard core Marxism in the Party’s interpretation. This is reflected, among other things, when taking into the perspective the society’s planning and development fundamentals (and activities). The period after the War was characterized by the Soviet-type, the so-called administrative (central) planning, which lasted until 1950. The national position was made somewhat softer already after the Tito-Stalin split in 1948, which strongly reduced the impact of the Russian doctrines in all spheres of the society, and also in social policy. The second phase started with the introduction of the labourers’ self-management concept in 1951-52 to be amended with the global planning from 1953 to 1965 (Lakićević, Gavrilović 2012).

Another characteristic of the post-War period was that the practice was much more in the spotlight, than the theory and evidence. One of the illustrative views of the social policy immediately after the War was that of Tito:

“Social policy measures taken [...] can be comprehended per se, since the labour class, first by taking into their hands the power, and then the production means, has been implementing their economic and social provision and at the same time liberating all labourers, without conquering anyone. Social policy measures are an instrument of such liberation” (Lakićević 1978: 317).

This directly reflected one of the three fundamental values of Marxism, that of freedom and liberation, the remaining two being equality and solidarity (Nedović 1995: 101-113). Somewhat paradoxically, social policy (and social work) were seen in the first post-War years as incompatible to the socialist order. “Although social work, health care and family policies may look humanitarian – and those employed within such services are invariably well-intentioned – they help to drive an economic system where everything is judged according to its market value” (Fitzpatrick 2011: 139). However, their role was justified in terms of the national society in transition from capitalism to socialism, with social policy in need to solve the social problems inherited from capitalism, which will disappear once the socialism becomes reality.³ Therefore, the governing ideology became social automatism – summarized in the analysis of Vlado Puljiz in the following words: “It was thought that there is a salvation formula for all problems, a sort of a panacea, and that is ‘the development of the socialist order’” (Puljiz 2008: 22). In connection to that, starting from the requirement on the so-called dialectic development of the society, Marxism was principally in compliance with the public welfare system, as an instrument for the realization of ideological aims, and not the aim per se (Dixon, Hyde 2001). Regarding the equality, the same as the liberation, it requires a revolutionary change of the society: abolition from private property and class divisions based on it. Furthermore, it is connected to the principles of: “from each according to their abilities” and “to each according to their needs.” Finally, solidarity is objective per Marx, existing out of an individual: “from the individual and human, through the ideological and political-cultural, the idea of solidarity is brought to the level of class solidarity, strived to be interpreted by Marx as the ‘objective solidarity’ of the labour class and expressed in the principle – call ‘Labourers of the world, unite!’” (Nedović 1995: 112).

3 Darja Zavišek explained this shift toward the introduction of education for social work from the aspect of the ideological rift with the USSR. “When the Yugoslav communists ended their close relationship with Stalin, they were forced to find other political allies, and linked themselves with the United States in the social field” (Zavišek 2008: 739).

3. Welfare Institutions from Capitalism to Socialism

The welfare legislation was first enacted at the end of the XIX and the beginning of the XX century. However, only at the beginning of the 1920s it was supposed to become regulated at the state, and not at the local levels, with the view to encompassing increasingly more and numerous “categories” of the population.

Generally important for the welfare states of Serbia and Montenegro of that time is that they accepted Bismarck’s doctrine and set up and subsequently arranged their welfare institutions around the social insurance principle. It resulted in the construction of the welfare state oriented towards benefits and not services, covering basic social risks in cases of old-age, disability, unemployment and poverty, with strong reflections of someone’s status on the labour market, i.e. to put it into Esping-Andersen’s description of corporatist regime: “rights were attached to class and status” (Esping-Andersen 1990: 27). At the same time, it led to the creation of the male-breadwinner model, due to the orientation toward the employment of more productive labour force.

It was the Law on Insurance of Labourers of May 14, 1922 that introduced the state-wide social insurance rights for all employees, including volunteers; students in industry, in the workshops of public teaching institutes and vocational schools; sailors, persons working abroad and persons dealing with handicraft at their homes. In general, the Law was “relatively progressive for the period of its enactment” (Puljiz 2008: 14). However, there are two important specifics, i.e. limitations of this Law. First, it did not cover two huge categories of that time: farmers and miners (albeit the latter were covered by a special Law specific of this industry, based on the mutual societies inherited from the previous period). Therefore, the centralized principle of social insurance was not implemented to the fullest extent, due to the existence of mutual societies with their own funds. Second, the general note, its implementation was delayed and actually started as late as on June 1, 1937 (Zavod za socijalno osiguranje 2015) or alternatively September 1, 1937 (Lakićević 1976). Two developments were in connection with the delay of the Law implementation: 1) employers refused to pay contributions for old-age insurance, for the sake of “in case of the implementation of the rule on contributions, the state would confront the economic collapse” and 2) “the state itself practically jeopardized the centralist rule by exempting from the payment obligation all civil servants” (Lakićević 1976: 95-96). According to Puljiz’s interpretation, the state did not have powers to effectuate the collection of contributions at its territory (Puljiz 2008).

Therefore, all the way until 1937, the social insurance principle was not actually implemented in the country as a whole and there were no insurance based benefits paid out.

The insurance based rights of the Law of 1922 covered the risks from the old-age, disease, disability, work injury and death, and not unemployment. They were supposed to be financed from the contributions of employees and employers, while the state would not have the financing role.⁴

Regarding the risk of unemployment, it was covered by the Financial Law of 1927/28 which stipulated “the protection of unemployed in terms of granting cash benefits to those who stay without a job and also one lump sum benefits and travel allowances” (Vuković 2009: 176). This area was not covered by social insurance per se, but it had more of the characteristics of social assistance, or social care, to use the term of the time it was enacted. Ilija Perić qualified them as “a combined system based on intervention self-help, i.e. self-help of a forced character for certain groups of labourers” (Perić 1931: 310).

On the other hand, social care was regulated by the Law on Miserable, Elderly and Weak of 1922 which proclaimed the public care on them. Apart from the proclamation, little was done by the state. The legal regulations were rather vague, conferring high discretionary powers to the local communities. There were no actually rights to social care, but the only possibility of its effectuation. This is demonstrated by the description of social care activities in Belgrade, the capital of Yugoslavia:

“The municipality of Belgrade, even though it seems it had the best developed social care service, could not solve even the most acute problems [...] ‘The problem of social care in the municipality gets increasingly worse and severe ... So, Belgrade, the town with the strongest economic activities, becomes to get the image of a town of absolute poverty’ [...] In 1935 there were in total 6 180 absolutely poor families with the total number of 19 784 members (the number of inhabitants of that time was 305 176). Only 765 families were granted with certain benefits” (Lakićević 1976: 74-75).

4 Health insurance contributions ranged from 34% to 42% of the daily wage of an insured person per week, depending on the health risks to employees, while the pension insurance contributions amounted to 18% of the daily wage of an insured person per week, i.e. 3% per day (Lakićević 1978)

During the Second World War the acquired rights were retained, at least declaratively. The vivid activities of the Communist Party and the People's liberation committees during the War and especially towards its end, along with the establishment of the Trustee for Social Policy in 1943, resulted in enactment of the Law on the Implementation of Social Insurance in the Federal Republic of Yugoslavia already on May 2, 1945 which unified the social insurance system in the country. It enabled the creation and adoption of regulations which broadened the eligibility criteria, by covering farmers and coast-transport labourers, enactment of the Rule on Obligatory Insurance of Public Servants and the Rule on the Reorganization of Health Care within Social Insurance. The Law on Social Insurance of the following year (1946) introduced a country-wide system, based on contributions paid by employers and employees with the state as a guarantee for the rights. The amount of benefits was conditioned by "the duration of the period of paying contributions, severity of work and average salary of insured person" (Zavod za socijalno osiguranje 2015).

The introduction of the mentioned laws was followed by the enactment of the Constitution of Yugoslavia in 1946 with strong reliance on the USSR Constitution which made an obvious discontinuity with the previously valid Constitution of 1931 and enabled enactment of the Constitutions of the Republics and subsequent changes into the social insurance legislation.

Contrary to the Constitution of 1931 which guaranteed very narrow social and economic rights, practically only the right to freedom of work and contract (article 23, Ustav Kraljevine Jugoslavije, 1931), the new Constitution of Serbia, illustratively, comprised of a wide palette of social and economic rights. On the one hand, it reflected the socialist values and an effort to construct a socialist society. On the other hand, they incorporated the social security provisions of the declarations of the International Labour Organization. Consistently with the promotion of the value of labour, the Constitution provided for the following: "the state will protect those in wage employment, especially by guaranteeing the right to association, limited working hours, paid annual leave, controlled working conditions, care of housing situation and social insurance" (article 21, Ustav Narodne Republike Srbije 1946). In relation to that, also a provision on the equal treatment of women and men was introduced with an impact on all areas of their lives, as well as the right to an equal pay for the equal work. A special protection of women in employment was envisaged and "the state especially protects the interests of mothers and children, by establishing maternity hospi-

tals, children's homes and kindergartens, as well as the right of mothers to a paid leave before and after the delivery" (article 25, Ustav Narodne Republike Srbije 1946).

Regarding the legislation on social insurance, the beginning of the 1950s brought a reverse trend. They saw the amendment to the social insurance principle and the meanings related to it. The Law on Social Insurance of Labourers, Servants and their Families of 1950 ended with the payment of social contributions. Namely, the Law stipulated the prohibition of burdening the salaries with the social insurance contributions and transfer the financing to the state from the general accumulation as per Marx (i.e. profit). As summarized by Mihajlo Stupar, the effects of the Law were such as follows:

"a) the state becomes a direct and immediate manager of social insurance [...] b) completely free of charge insurance is introduced for labourers and servants [...] c) the level of protection for labourers is increased so as to be equal to the level of protection for servants [...] the rights are to be effectuated before identical bodies, all the insured persons have the same rights and under the same conditions [...] d) the eligibility is mainly conditioned under the principle of: more benefits for more labour" (Stupar 1963: 282-3)

On the one hand, this meant allegedly the practical introduction of Marxist values of solidarity and equality. On the other hand, already in 1952, the Law of 1950 was substantially changed so that the social insurance contributions became to be paid out by companies, state institutions and other employers for all their employees.

In 1952, along with the introduction of the first law on employment, certain forms of cash benefits for those who stay without a job were installed, which meant the introduction of a separate insurance branch, that for the case of unemployment (Vuković 2009: 177). The mentioned laws were the last regulations for the period in the focus of this paper, and the subsequent changes were introduced during the 1960s.

4. Welfare Sectors Between the Formal and Informal Spheres

The production and provision of welfare in Serbia and Montenegro during the period covered by this paper were, to a varying extent, a shared competence among the sectors.⁵

5 In theory, welfare sources are generally taken so as to include three to five types of sectors. State, market and the family have been traditionally taken into account by authors in their

The role of the state sector was conceived to be the most prominent, however, with significant differences in terms of the scope and responsibilities during the time. After the establishment of the Kingdom of Serbs, Croats and Slovenians of 1918, there were many difficulties for the state to become the main welfare provider. Before the unification, the constituting countries (among which also Serbia and Montenegro) had sporadic roles in social policy, with the churches and humanitarian organizations, as well as local communities, as the main welfare sector. The then country was highly characteristic of an agricultural production and late embracing of capitalist production, with subsequent reflections to the characteristics of the families, and so on. Therefore, the enactment of the labour legislation in the Western Europe coincided with the enactment of the regulations on family cooperatives (both in Serbia and Montenegro in 1844) and guilds (in Serbia, a Rule on guilds was enacted in 1847) (Lakićević 1978). Consequently, the main welfare providers were informal sphere, i.e. the families and solidarity groups for those who belonged to them, which is important for the understanding of the welfare provision also after 1929.

The state was supposed to have the supervising role in social insurance but, as presented in the text before, due to the implementation failure, it was actually a highly fragmented system, under the auspice of solidarity groups for the longer period. As an illustration, there were 4 pension funds for private employees, 4 major guild coffers for the insurance of miners (with 73 branches), Central Administration of humanitarian funds for the insurance of the state transport employees and Supporting Fund for the civil servants. There were also around 200 health and pension funds for the civil servants (Stupar 1963). However, there was also the Central Office for the insurance of labourers with its head seat in Zagreb, Croatia, as the main social insurance institution, with 17 branches and 3 special state guild coffers. It had the status of the highest rank body and the only institution for the obligatory insurance of labourers, comprised of the representative of labourers and their employers. Furthermore, in 1927 the Labour Market Office was established as the public, state run organization with the view to

considerations of welfare distribution. Different solidarity groups, classified by certain authors (e.g. Paul Spicker) are sometimes taken as to represent a separate welfare sector. Finally there exists a wide range of non-governmental organizations in welfare provision. Most frequently, authors argue in favour of existence of four welfare sectors and those are: public (i.e. state), private (i.e. market), informal (i.e. family) and voluntary (i.e. non-governmental organizations) sectors.

mediating between unemployed and employers (Lakićević 1976). Its coverage was universal at the territory of the country.

Therefore, during the pre-War period, the role of the state as the welfare sector was practiced mainly at the local level. The local communities had their roles in welfare provision, delegated by the state with the state as a somewhat of a “unifying” agent. Albeit the obligation of the duchies to transfer the funds for social care to the municipalities, there were no evidence of such activities at that level of the state authorities.

The absence of unique rules for the country resulted in a great variety of the activities at the local level. The local communities were active in the field social care, which comprised of the welfare activities directed toward the children and the poor (materially deprived and incapable of work), as well as housing conditions and public health. Bad economic situation in the local communities resulted in that this area was subjected to informal, i.e. family care and the activities of humanitarian organizations. The care of children without parental care was also in the private sphere, most generally, within the local communities. Also homes for children and kindergartens were under the auspice of the private care, i.e. humanitarian organizations. Even though not exclusively directed toward the child care, still the dominant number of the humanitarian organizations was established with a view to protecting abandoned and poor children.

The activities of the municipalities became more vivid after the establishment of the Association of the Towns of Yugoslavia (in 1927) and the Union for the Child Protection (in 1933). The first mentioned was dealing to the most part with the alleviation of housing problems in the towns, with a view to accommodating small hygienic apartments for labourers and the poor while the latter one comprised of 187 different units in charge of social and health care of children.

A special position was held by the Red Cross of Yugoslavia, which has been establishing the kitchens for the poor, collecting and distributing food, clothes and fuel for the poor, organizing camps for the children with tuberculosis, and so on. Finally, the activities of Foundations were especially supported by the state. Some of those in the welfare field were the Foundation of Jovice Barlovca aimed at the protection of poor children; the Foundation of Mihailo and Agnija Srećković, directed toward the realization of specific social care and schooling aims, similar to the the Foundation of Cvetko and Stefan Jovanović; the Foundation

of Dimitrije Naumović which was supporting girls from the poor families; the Foundation of Nikola Spasić aimed at building hospitals and homes for unable bodied; the Foundation of Marija Trandafil which supported children without parents, etc.

Labourers' organizations were acting along traditional lines. On the one hand, they were fighting for the introduction of legal regulations aimed at the protection of labourers and their implementation. On the other hand, they were undertaking numerous social actions with the view to alleviating the material deprivation of labourers and their families. The Communist Party of Yugoslavia was the initiator and organizer of solidarity actions, mainly through the labour unions. It was also an organizer of the Red Help (established in 1922), an organization with the similar agenda, on top of which, as of 1929, it started to provide legal support to the members of revolutionary movements and their families in the cases of arresting and torturing, staying without a job, etc.

During the Second World War fragile welfare institutions have been hardly surviving, with families being burden to the highest extent for the care of their members. The situation has becoming increasingly better toward the end of the War and in the free territories in which the Communist Party organized various kinds of social support to the population.

In the post-War period, the role of the state sector in welfare has been gradually increasing. The state's increasingly control function was justified by „underdeveloped production means and the necessity to change and develop them rapidly, which though to be expressed in centralization of the system“ (Pejanović 2004: 257). Already in the middle of 1945, the Government established (and actually reorganized the existing) Central Office for Social Insurance in Zagreb, as an umbrella organization in social insurance, which encompassed all existing offices for social insurance. This evolved into the State Office for Social Insurance in 1946 to be reversed four years later when the system of offices for social insurance was abolished and the state became the direct “manager” in social insurance. This shift was in connection with the abolition of the social insurance principle and translated into the granting competencies to the bodies of public administration (bodies for social care), with the transfer of certain competencies to companies and institutions. Because of inefficient work of such system and returning back to the principle of social insurance, such a design was

abolished and the Office for Social Insurance was established in 1952, with a series of branches. Numerous Rules were enacted with a view to implementing the principle on the transfer of social insurance from the state auspice to the institutes for social insurance, established in the Republics, resulting in the monopolistic position of extremely bureaucratic public agencies in welfare provision.

The most important welfare provider in the social care was the local level with the specialized services at the Republic and Federal levels. If not totally, social services were predominantly public and exceptionally these were organized by the state companies or Foundations. Their forms and types were numerous, but always on the basis of the principles of state management and later self-management concepts.

This period experienced a tremendous impact of the labourers' organizations, which practically extended to all spheres of life. The key promoter of the social policy was the labour class and therefore, the practice saw over-protection of employed and yet inadequate care of those on the margins of the society. "All welfare legislation, as legislation and measures in other spheres, privileged the socialist part of the society, while the other, non-socialist part, was neglected, under pressures, along with the prediction that it is soon to disappear in the socialist development. The dual character of the state, therefore, was on the scene" (Puljiz 2008: 21).

For that reason also, there was no need, from the point of view of the Government, to have other welfare providers except for the state. Private market, in either of its forms, ceased to exist in the welfare provision. The involvement of non-governmental organizations was reduced to the lowest extent, enabled by strict legal regulations, in the context of the Government's aspirations to exercise control over the total social policy sphere. The exception was the Red Cross which activities have been under way throughout the whole period in question, directed primarily toward the poor in the traditional sense of the word. However, ever since its establishment, the Red Cross has had a specific status, in terms of that it has been a humanitarian organization with strong elements of a public service. The Orthodox church ceased to be the welfare sector provider of any importance, which had to do with the marginalization of the religion in the society in general.

The roles of informal sphere, i.e. family, were reduced to certain extent, from the point of the socialist's doctrine that the family's posi-

tion should be facilitated in order to “make the family and family relations stronger and therefore to transfer their obligations to the social care system, to establish day care system for children, to employ social workers, to grant them cash benefits, etc.” (Stupar 1963: 257).

Conclusion

The studies on socialism, and especially and even more *in* socialism, have frequently started from the premise on the fundamental changes socialism brought into the then existing systems in the society (or to use one of the socialist key words: bourgeois order), primarily in terms of an immediate break down with the past and rapid rise of the socialist state. While this is of course very much the truth, at least two precautions should be made, that bring somewhat different perspective into the interpretation of changes.

The first one is out of the scope of this paper and it refers to the varieties of socialism. There was no one, single, socialism however strong efforts of Marxists worldwide were for the socialism to be as similar as possible (to the Soviet type socialism). Normally, there were many “deviations” from the ideal type, even though they could be presented in terms of variations around the same principle(s).

The second one deals with the characteristics of the situation “in the field.” It refers to 1) (in)compatibilities between the aims and outcomes of the systems in the place and those to be put into motion, and equally to 2) ever missing resources for the changes that are (not) necessary to be introduced. However, the factors in favour of changes are those in connection with the changed reality, i.e. new circumstances, new needs and new demands and so on. The period considered in the paper (1929-1956) was very dynamic period. Therefore, the changes were (and have been) the only constant in the societies, and also in its public policies (and consequently in the social policy). The question is the character of a change, its scope and reach.

In Serbia and Montenegro, the socialist ideas on the national social policy did not exist in a vacuum independent of such a reality. And that reality was to see social policy in one track, as defined by the pre-War decision makers.⁶ However, the socialist social policy was not either

6 This paper is focused on social insurance and social care programmes and therefore in the text that follows there will be references only to this part of the welfare state.

isolated from the governing socialist policies and ideologies regarding the economic and political life. Those policies were rather radical compared to the period that preceded. In the sphere of economic life, they largely meant the abolition from the private property, its expropriation from “those who had more than they needed for their individual needs” and the introduction of the state property. In the sphere of political life, they introduced one-party system.

Therefore, as in any other situation, the socialist welfare state has its emerging “space” within the context of 1) the existing welfare structures, 2) the newly proclaimed welfare aims and 3) emerging political and economic systems. Of course, many other factors were deterministic in terms of colouring the opportunities and obstacles ahead of the socialist welfare state.

This paper brings into the focus the question of continuity in the welfare states of Serbia and Montenegro during the period in question, clearly divided to pre-War and post-War periods in the governing ideological terms. The paper is focused at the level of state policies and legislation. The statement of continuity, i.e. bounded change, however, can be contested to a high level primarily due to a short period of existence of social insurance system. Namely, the implementation of the social insurance principles was postponed almost until the beginning of the Second World War and even then it was not state-wide system, but a patchwork system within the organizations of mutual societies. Therefore, the legal regulation was hardly put into force when the War started, and in terms of that there was no much of existing. However, it presented a framework or umbrella system which was kept also under the socialism and not abolished.

First, the beginnings of the development of the welfare state of Serbia and Montenegro at the end of the XIX and the beginning of the XX century in general were in the connection with the requests of labourers, and their rights, in terms of the legislation for their protection and social insurance. It could be reasonably argued that the emerging of the welfare state in Serbia and Montenegro in the first place had the characteristics of a development at the so-called periphery, with the late modernization impulses. To a certain extent, when we look at the reasons for the original decision, this is socialist by its nature or very close to socialism, albeit the motives behind the introduction of such clauses differ between the ideologies. When the welfare states obtained the so-

cialist label and when they became the labourers' countries, without the class struggle, naturally the labour right and welfare saw enormous extensions.⁷ However, the extensions were within the existing tracks, i.e. social insurance, and not its abolition, and the logic of the welfare system remained rather similar compared to the previous period, with significantly increased coverage and level of protection. Mihailo Stupar made the following comment on that:

“Social insurance is the most developed form of social welfare in our country, both in terms of engaged material, financial, organizational and other resources and the number of protected people, quantity and quality of the protection offered to the citizens” (Stupar 1963: 255).

The Law on the Implementation of Social Insurance in the Federal Republic of Yugoslavia of 1945 which unified the social insurance system in the country was actually conceived during the War and later contributions were abolished, but temporarily (in the period from 1950 to 1952) after which their was the social insurance path reproduction. In the explanation of the reasons for the maintenance of the social insurance principle, we cannot call ideology for help, since it fundamentally changed in the post-War period. The socialist ideology itself is even of a varying importance. Its connecting with a public encompassing welfare system in which everybody shares the same rights, despite their position on the labour market, still did not result in the introduction of the so called universal welfare systems. Another thing is whether the economies of Serbia and Montenegro would enable the introduction of such systems. Therefore, the plausible explanation of mechanisms in support to the social insurance principles would need to take into account the economic performances and demographic situation in the socialist societies of Serbia and Montenegro.

Here, once again the reference to the labour class and their ideology along with the exclusion of the others seems important. The concept of social insurance clearly reflects the position on the labour market and makes the labourer a deserving citizen, contrary to those who are not employed. This is surely a departure from the Marxist principle of equality, however, it was remedied through the extension of the sector of social assistance, as per the principle of solidarity, which was enabling arguably average living standard to those unemployed, i.e. less

7 Some authors claimed that the social rights presented a compensation for underdeveloped political and civil rights.

deserving. This would need to take into account another perspective, that of the socialist flagship of full employment (high level of employment), but it is out of the scope of this paper. Furthermore, as already mentioned, the preferences of labourers for social insurance can be derived from the middle and long-term benefits for them, contrary to universal systems.

This explanation, to a certain aspect, brings into the focus the notion of informality. Namely, the changes in the welfare sector providers were by and large more fundamental. In theory, and also in the practice, the welfare economy is a mixed one and none of the sectors acts alone and in isolation from each other. The situation is quite opposite and the relationships between the sectors are of competing and/or complementary nature.

The mentioned sectors had different roles in the production, organization and consumption of welfare, with subsequent advantages and disadvantages. The role of the state was the most prominent, in all times, with strong variations. In the pre-War period, the state's role was more residual to transform in the post-War period into increasingly extending and finally all encompassing, totalitarian and paternalistic (and arguably some kind of an institutional "violence"). Unsurprisingly, the role of the pre-War welfare state was decentralized and loosely administered, contrary to the post-War period. However, the intention of the state to be in the position of the main welfare provider can be demonstrated throughout the period in question. The post-War period saw disappearance of the private sector, but also of the voluntary one. The role of the family was also substantially changed, both due to some objective and some subjective reasons. The objective reason stemmed from the declared full employment, which required from the both partners to be in paid employment which had consequences on the informal sphere of work and concerns about the day-care of the children during their parents' working hours. The subjective reason was that of ideology, which wanted to change the position of the socialist family compared to the Western societies. Paradoxically, social policy measures were interpreted in terms of the care about the citizens' welfare exercised by the state, and the role of citizens was intentionally neglected (Čekerevac 1999).

Bibliography

- Čekerevac, A. (1999) „*Uporedna i međunarodna socijalna politika*“. Beograd: Savez društava socijalnih radnika Republike Srbije.
- Cheiladaki-Liarokapi, M. (2007) „The Model of Path-Dependency and the Comparative Analysis of the EU Policy-Process“. *Political Perspectives EPRU*, 2(6): 1–32.
- Cousins, M. (2005) „*European Welfare States – Comparative Perspectives*“. London: SAGE Publications.
- Dixon, J. E. Hyde, M. (2001) „*The Marketization of Social Security*“. London: Quorum Books.
- Esping-Andersen, G. (1990) „*The Three Worlds of Welfare Capitalism*“. Princeton: Princeton University Press.
- Fitzpatrick, T. (2011) „*Welfare Theory – An Introduction to the Theoretical Debates in Social Policy*“. Basingstoke: Palgrave Macmillan.
- Graefe, P. (2004) „*Welfare Regimes and the Third Sector: Rendering Path Dependency Contingent?*“. Paper presented the 6th International Conference of the International Society for Third-Sector Research, “Contesting Citizenship and Civil Society in a Divided World,” Toronto, July 14, 2004.
- Greener, I. (2002) “Theorizing Path Dependence: how does history come to matter in organizations, and what can we do about it?”. Available at: <http://www.emeraldinsight.com/doi/abs/10.1108/00251740210434007> [Accessed 12 December 2014].
- Harrison, S., Dowswell, G., Pollitt, C., Bal, R., Jerak-Zuiderent, S. (2008) „*Path Dependence, Public Policy and the National Health Service performance regime*“. Paper presented to “Policy histories and the National Health Service” workshop, University of Manchester, January 24, 2008.
- Jovanović, D. (1931) „*Socijalna politika*“. Beograd: Pravni fakultet.
- Lakićević, D. (1991) „*Socijalna politika*“. Beograd: Savremena administracija.
- Lakićević, D. (1978) „*Uvod u socijalnu politiku*“. Beograd: Savremena administracija.
- Lakićević, D. (1976) „*Misao i praksa socijalne politike Jugoslavije između dva svetska rata*“. Beograd: Institut za socijalnu politiku.
- Lakićević, M. Gavrilović, A. (2012) „*Socijalni razvoj i planiranje*“. Beograd: Fakultet političkih nauka.
- Mahoney, J. (2000) “Path Dependency in Historical Sociology”. *Theory and Society*, 29(4): 507–548.
- Nedović, S. (1995) „*Država blagostanja – ideje i politika*“. Beograd: Draganić.
- North, D. (1990) „*Institutions, Institutional Change and Economic Performance*“. Cambridge: Cambridge University Press.
- Pejanović, S. (2004) „*Socijalna politika*“. Beograd: Defektološki fakultet Univerziteta u Beogradu.
- Perić, I. (1931) „*Jugoslovensko socijalno zakonodavstvo*“. Beograd: Centralni odbor za posredovanje rada.

- Pierson, P. (Ed.) (2001) „*The New Politics of the Welfare State*”. Oxford: Oxford University Press.
- Pierson, P. (2000) „Increasing returns, Path Dependence, and the Study of Politics”. *The American Political Science Review*, 94(2): 251–267.
- Puljiz, V. (2008) „Socijalna politika Hrvatske”. In: Puljiz, V. Bežovan, G. Matković, T. Sućur, Z. Zrinščak, S. (eds.), „*Social Policy of Croatia*” Zagreb: Sveučilište u Zagrebu – Pravni fakultet, pp. 1-71.
- Spiker, P. (2013) „*Socijalna politika: teorija i praksa*”. Beograd: Fakultet političkih nauka.
- Stupar, M. (1963) „*Socijalna politika*”. Beograd: Rad.
- Timonen, V. (2003) „*Welfare State – Globalization and Social Policy Reform in Finland and Sweden*”. Cheltenham: Edward Elgar Publishing Ltd.
- Ustav Kraljevine Jugoslavije (1931) [The Constitution of Kingdom of Yugoslavia (1931)]
- Ustav Narodne Republike Srbije (1947). Available at: <http://scc.digital.nb.rs/document/RA-ustav-1947> [Accessed 1 January 2012].
- Vidaković, S. (1932). „*Naši socijalni problemi*”. Beograd: Izdavačka knjižarnica Gece Kona.
- Vujošević, I. (1940) „*Zaštita socijalno slabih*”. Beograd: Jugoslavija.
- Vuković, D. (2009) „*Socijalna sigurnost*”. Beograd: Fakultet političkih nauka.
- Zaviršek, D. (2008) Engendering Social Work Education under State Socialism in Yugoslavia. *British Journal of Social Work*, 38/4: 734-750.
- Zavod za socijalno osiguranje (2015) Available at: <http://www.zso.gov.rs/istorijat.htm> [Accessed 27 May 2015].