

CRCE Briefing Paper

Ljubo Sirc CBE **Honest, Loyal, Rebellious**

A lecture given at the CRCE

Dr Joze Dezman

With Contributions from
Alois Peterle MEP and Keith Miles OBE

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The Constitution of the CRCE requires that its Trustees and Advisers dissociate themselves from the analysis contained in its publications, but it is hoped that readers will find this study of value and interest.

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**Introduction to the Ljubo Sirc Lecture by Keith Miles OBE
House of Lords, 2 March 2016**

My Lords Ladies and Gentlemen, Your Excellencies, friends and colleagues, it gives me great pleasure to chair the Sirc lecture.

We shall hear much about Ljubo Sirc's life from Dr Dezman, whom we are delighted to welcome to London. He is a distinguished historian from Slovenia.

Last week I saw Ljubo, who is 96 this year, and he sends his warm greetings to everyone. In particular we welcome Mrs Sue Sirc to the lecture, and others who have made the trip from abroad. May I also take this opportunity to thank Lord Black of Brentwood for sponsoring this room for us. Lord Black as many will know has a fine reputation of support for freedom and democracy. Ljubo Sirc received the OBE for his services to democracy, so it is therefore very appropriate that this lecture is taking place here in the Mother of Parliaments.

Grateful thanks to our Sponsors who made the Lecture possible

Lord Vinson of Roddam Dene
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An Appreciation

by Alojz Peterle MEP

The life story of the dissident Dr Sirc is one of the most outstanding ones from Slovenia's communist times. Despite the fact that he joined the communist-led resistance in Yugoslavia between 1944 and 1945, his entrepreneurial background ("capitalist"), his liberal-Democratic political profile and sympathy for Western democratic culture, were the reasons for punishment.

As an "enemy" he was sentenced to death. Later, the sentence was commuted to twenty years in prison, where he served seven. Later on, he became one of the leading experts on communist regimes. It is not surprising that he was appointed Senior Lecturer in Political Economy (Glasgow), and also co-founded of the Centre for Research into Communist Economies – later Post-Communist Economies – in London.

He believed in a democratic transition of Yugoslavia, but after the attack of the Yugoslav People's Army on independent Slovenia, he supported its democratic choice. His consistent criticism was known not only in his homeland Slovenia/Yugoslavia, but also in many other countries. How much of his work is appreciated was proved by the most reform-oriented prime minister of Russia in the early 1990s Yegor Gaidar's invitation to be his adviser.

Despite the fact that Ljubo Sirc was not at the centre of the Slovenia's movement towards independence, his attitude towards communism and his clear economic liberalism were very much appreciated by those who decided to make Slovenia a democratic and independent country. I am sure that his analysis was inspiring to many, and not only to his liberal fellows. In that sense, we consider Ljubo Sirc is an important name in the context of the democratic transition in Slovenia, Russia and elsewhere. Also not to be forgotten is that his work in the United Kingdom was extremely relevant to the West's understanding of communism.

Ljubo Sirc –Honest, Loyal, Rebellious
by Jože Dežman

Age of extremes

Kranj in the Century of Unimaginable Changes was the title of a book about Ljubo's home town of Kranj in Slovenia. Slovenia's 20th century was really the century of unimaginable changes. The Austro-Hungarian Monarchy, the Kingdom of Yugoslavia, three totalitarian regimes, occupation, Stalinist revolution, civil war, Titoism in both Stalinist and self-management phases, independent democratic republic — a real age of extremes. Typical of the territory now known as the Alpe Adria ('Alps-Adriatic') region of Europe, are the strained relations that followed the dissolution of the Austro-Hungarian Empire in 1918 with six nations competing for the same territory (Italians, Friulians¹, Austrians, Hungarians, Slovenians, Croats). Those tensions broke out immediately at the end of the First World War. Slovenia experienced very intensive activities of all the three forms of totalitarianism – fascism, Nazism and communism - on its territory from the end of the First World War until the end of the Tito era.

But in this century of extreme change Ljubo Sirc was steadfastly true to himself.

When Ljubo Sirc was 90 years old in 2010, he published his fourth book of memories expressing his motto:

I described how one night after the conviction I was lying in cell no. 136 at the Ljubljana court of justice, and it suddenly became clear to me that the only solution is that people are good and tolerant towards each other. I am often surprised when I see how many people from many diverse environments arrived to this belief under Communism...

Here converge Christian and general religious ethics and political human rights and democracy. We cannot forget the human being; we must engage in each other with open eyes and mind.²

In his autobiography written in prison in 1953, he affirmed:

On the contrary, I never wanted to conceal my thoughts because that would mean pretence. I have no doubt that I would be quickly caught in a lie in that case, especially since it would be very obvious because it was unlikely that anyone would believe that prison could radically change my thinking. Moreover, I am convinced that my views, which require in particular tolerance and moderation, cannot harm anyone.³

¹ Friulia is situated in Italy's northeast and borders Slovenia and Austria. The provinces of the region are: Trieste (regional capital), Gorizia, Pordenone and Udine.

²Ljubo Sirc, 2010: *Dolgoživljenje posmrtniobsodbi* (Long Life after Death Sentence), Ljubljana.

³Ljubo Sirc, 1953. *Autobiography*. Arhiv Republike Slovenije (Archive of Republic of Slovenia): AS 1931, dosje (file) 9195

This life motto was also confirmed by the Tito's political police. When they introduced a "separate special investigation" on 10 February 1970, they gave Sirc the code name 'Utopist' (Utopian). They noted:

In 1954, he was released. In 1955 he escaped from Yugoslavia and is now in the UK. In exile, he became involved in the SNO (Slovenian National Committee) in New York and became a member of the Liberal International. In addition, he also participates in the "Study Centre for Yugoslav Affairs" in London, led by agent AOS (British Intelligence Service) Vane Ivanovič. The purpose of Sirc's activities is to discredit Yugoslavia in the eyes of the foreign public. In this context, he published a book, "Nonsense and Sense" in London in 1968, in which he very sharply attacked the Yugoslav regime, especially the current president of the Federal Executive Council, comrade Ribičič. He is corresponding in emigrant monthly "Call of Triglav" (*Klic Triglava*), which is very hateful."

The investigation was confirmed by a high ranking political policeman Stane Bernik, brother of Jože Bernik – political emigrant and prominent anti-communist.

Investigation Utopian and File 5195 were only officially closed on May 4 1990, after the first democratic elections in Slovenia. This time, the political police acknowledged their historic defeat:

After serving his sentence in Yugoslavia, Sirc fled abroad and was actively involved in anti-Yugoslav activities within the SDS (Slovenian Democratic Party - liberal party in emigration), he has actively worked in the "democratic meetings", appeared as an expert on Eastern European economic issues and post-retirement took organization and management of the Centre for Research into Communist Economies in London. He has contact with prominent politicians within the Liberal International, the British Foreign Ministry, political emigres of other Yugoslav nations (Mestrovic, Marčetič, Ivanović and others).

We suspect, that he is associated with the English Intelligence Service (OS), since, as already mentioned, he maintains contacts with the Foreign Ministry of Great Britain and some individuals close to the said institutions (Nora BELOFF and others).

As indicated suspicions are not confirmed, we propose the termination of the investigation and de-registration.⁴ (File 9195)

Yegor Gaidar, President of the Russian government and reformer, honoured Ljubo Sirc in the preface to the book of Sirc's selected articles⁵:

In all times there are people who become legends. Some of them are widely known; their life stories are studied in schools and universities. Others are known only to a relatively narrow circle of friends, colleagues and like-minded thinkers. Both have one thing in common, however —their life is an example of selfless service to an idea, readiness to undergo any trials for the sake of it and not to waver even in the face of the hardest, even in the face of death. And for these people it does not matter whether their life's work is known to dozens or to millions. What matters for them is achieving the goals for which they are ready to sacrifice everything.

Ljubo Sirc is such a man. His whole life is an example of continuous and unwavering service to the ideals of democracy, to the fight against all forms of totalitarianism and violence, in whatever guise they clothe themselves — be it right-wing fascist or left-wing communist.

⁴ Arhiv Republike Slovenije (Archive of Republic of Slovenia): AS 1931, dosje (file) 9195.

⁵ Sirc, Ljubo (1994) *Why the Communist Economies Failed*. CRCE, London, 1994

From monarchy to kingdom

Slovenia's ethnic territory suffered a severe economic crisis at the end of the 19th century, when about a quarter of the 1.2 million inhabitants emigrated, mostly to the United States.

In the first Yugoslavia (1918-1941) the Slovenians' first statehood was in that part of the territory which went to Yugoslavia. After the Treaty of Rapallo (1920) around 360,000 Slovenians remained in Italy.

In the Austro-Hungarian Empire, many Slovenians were successful entrepreneurs. However, the flourishing of Slovenian entrepreneurship in industry, construction, wholesale trade and other fields only began within the Kingdom of Yugoslavia 1918 –1941.

Slovenia, where I was born in 1920, was a backward region in an even more backward, newly created State of Yugoslavia. Kranj was a dreamy, formerly Austrian, provincial market-town of about 4000 people. ...All this changed when tariff barriers were erected around Yugoslavia, cutting Slovenia off from the industrially better developed parts of the former Austro-Hungarian Empire and opening up new markets in less well-developed Yugoslavia. ... Our town of Kranj proved that Yugoslavia had opened up opportunities for all those eager to seize them. In the 1920s, my grandfather Pirc became mayor of Kranj and my father set out to attract investment to our town.

My father was very proud of this accomplishment, so much so that he told me at one of our very last meetings to remember that it was he who had made Kranj into an industrial centre; he was very ill then, about to leave prison to die.⁶

Ljubo was not happy that he was the son of the factory-owner.

The factory, to which my father devoted all his energy, raised in me very mixed feelings. My father really wanted to challenge me to help him soon in his work He probably demanded that interest from me too early, when I was not yet even fourteen years old and my head was full of sports, etc., While on the other hand he was probably wrong when he wanted me to learn more about technical issues in particular, but I always had less aptitude for technology than I had for the economic and similar issues.

If I were to decide on my future before the War and if there had been no War, I would probably be trying to become a university professor, or to be accepted into the diplomatic service, but I would definitely try to avoid becoming a factory-owner. Because of this, there was always a silent disagreement between me and my father, that we've both tried to hide, but we did not always entirely succeed.

Ljubo was saved by illness when in the autumn 1934, he contracted tuberculosis.

I spent 1935 in a sanatorium in Stolzalpe, Austria. At the end of the year I returned home half cured and I should have actually returned to the sanatorium, but in the meantime, my condition had improved enough so that I could stay home and finished sixth and seventh grade. After that my Yugoslavism drove me on a trip around Bulgaria, from where I returned seriously ill. I immediately had to go back to a sanatorium. To make me learn French this time, my father sent me to Leysin in the French part of Switzerland. I spent almost two years there, recovering.

If before disease the joy for study and books had to fight for my attention with sports, now all

⁶Sirc, Ljubo (1989) *Between Hitler and Tito - Nazi Occupation and Communist Oppression*. Andre Deutsch, London, 1989

physical activity was subjugated by mental work. I studied Russian, English and Italian, I was preparing for graduation; in addition, I read many books and every day a whole range of newspapers. Then my interest in social issues became even more prominent. I read my first textbook of economics, in the newspapers I pursued in detail the development of the international situation, which was becoming more and more complex.⁷

Occupation, resistance, revolution

Ljubo was very attached to his grandfather Ciril Pirc, who was one of the leading liberal politicians and mayor of Kranj. His policies had contributed to the successful industrialization of the city. Like other liberal politicians he was dedicated to Yugoslavism. Germans and Italians were considered as foremost enemies of Slovenians.

When at war in April 1941 Yugoslavia disintegrated; Slovenia was occupied by the Germans, Italians, and Hungarians, with a small part occupied by the Independent State of Croatia. As the Germans began to arrest leading Slovenians, the Pirc and Sirc families fled to the Italian occupation zone in Ljubljana, where Ciril Pirc died broken-hearted in May 1941.⁸

The traditional political parties decided on a policy of wait-and-see. After the German attack on the Soviet Union in June 1941, the Communists founded the Liberation Front (renamed People's Front after the Comintern policy) and began armed resistance. Ljubo joined the resistance group *Stara Pravda* (Old Justice), which joined the Liberation Front. Since they had not agreed to a complete dominance by the Communist Party, they were expelled.

Members of *Stara Pravda* tried to organise the Royal camp in Slovenia more efficiently. In 1943, Ljubo fled to Switzerland to report on the situation in Slovenia.

I fled from Italy to Switzerland; I broke my leg and was bedridden in a small border hospital, where my Swiss friends sent me books. One of these books was a hundred and eighty page textbook by Wilhelm Röpke "Die Lehre von der Wirtschaft" (Teachings on the Economy). This little booklet I read in a sitting, and immediately grasped what is the theory of objective subjective value. For the first time I understood how in economics everything is associated with anything, how factors affect...⁹

⁷Ljubo Sirc, 1953. Autobiography, Arhiv Republike Slovenije (Archive of Republic of Slovenia): AS 1931, dosje (file) 9195

⁸Jože Žontar, 2005. Kaznovana podjetnost – kranjski trgovec in industrialec Franjo Sirc, Ljubljana 2005.

⁹Ljubo Sirc, 2004. Zablode komunizma. Gostujoče predavanje na Inštitutu za civilizacijo in kulturo v Ljubljani (Fallacies of communism. Visiting lecture at the Institute for Civilization and Culture in Ljubljana)

West – East

During World War II, the Yugoslav Royal Government in Exile was unable to organise a uniform resistance against the Occupiers. The Communists began a strategy: the worse — the better. A cornerstone of this policy was the so-called popular uprisings. After these took place the partisans withdrew and the occupiers and their collaborators took revenge on the civilian population. E.g. in Serbia from June to December 1941, 203 German soldiers and 3,562 rebels fell, and occupying forces shot 11,522 civilians.

With those mass killings of their compatriots, the communists triggered the civil war in Slovenia. Armed anti-communist resistance and afterwards collaboration with the Italians began after the communists killed over a thousand Slovenian civilians. The basic aim of the Communists was the implementation of Stalinist revolution and victory in the Civil War. Therefore, the occupation forces had relatively few losses when fighting communist partisans. WWII casualties in Yugoslavia numbered around one million, and fewer than 30,000 Italian and German soldiers died before August, 1944, when the Red Army entered Yugoslavia.¹⁰

In Slovenia, due to the war, rebellion, revolution and civil war, nearly 100,000 people were killed, or nearly 6.7 percent of the population. German losses in battles with the Slovenian partisans were probably not more than 4,000 deaths.

The Communist partisans were unable to win without external assistance. Therefore Stalin's game was decisive when he sent his armies to Yugoslavia, and through his spy network he also influenced the British decision to begin supporting the communist side in Yugoslavia. The bloodiest period in Yugoslavia was after the Second World War. Milan Grol, the prewar statesman, then vice president of the Government of the Federal Republic of Yugoslavia after the Tito-Šubašič agreement, resigned in August 1945 due to the communist terror. He said: "This is not a state, it's a slaughterhouse."

Ljubo Sirc in his 1967 memoirs wrote that after the war in Yugoslavia, probably around 300,000 people were extrajudicially killed. This estimation is not an exaggeration. In Slovenia over two months more than 15,000 Slovenians were killed, or more than one percent of the population. Close to 100,000 Croats, tens of thousands of Serbs and Montenegrins, tens of thousands of members of the German minority, more than 70,000 prisoners of war of the German occupying forces, along with Albanians, Italians and other nationalities were probably killed - at least a quarter of a million people. This was the worst crime against prisoners of war and civilians after the Second World War in Europe. Slovenia has currently identified over 600 concealed killings and the burial sites of about 100,000 victims.

In addition to the extra-judicial killings, large numbers of people were executed by the courts, mostly military ones. In the years 1941 - 1945 about 10,000 people were sentenced to death and killed in Yugoslavia.¹¹ The terror of the secret police reigned.

¹⁰Klaus Schmieder, (2002) *Partisanenkrieg in Jugoslawien 1941-1944*, Hamburg-Berlin-Bonn, p. 589.

¹¹Srdan Cvetković, 2006. *Između rpačkica: represija u Srbiji* (Between the hammer and sickle - Repression in Serbia) 1944-1953, Beograd.

Imprisoned in Maribor in spring 1950 Sirc “also became aware of the extent to which forced labour was used in the service of the Five-Year plan.” Prisoners were the workforce in all major constructions of factories, roads, railways, urban neighbourhoods. “There were about 30,000 prisoners, the main part of the manpower, at the construction site of New Belgrade, which the newspapers claimed would be a monument to Tito’s period of our history.”

The Yugoslav authorities in 1950 published statistics, that:

260,000 criminal cases were heard in 1947, 220,000 in 1948, and 160,000 in 1949. From the published data and from what I could see myself, I calculated that at least one million Yugoslavs must have gone through communist prisons between 1945-1950, a figure equal to about one-tenth of the adult population.¹²

The activities of secret political police agencies were destructive. The Titoist police definitely surpassed those of the Fascists or the National Socialists. In 1946, there was one secret political police employee per 1,200 inhabitants of Slovenia; if active informants are included, that number rose to one for every 282 inhabitants. Hundreds of thousands of people were affected by the constant spying and denunciations; mass paranoia reigned.

Destroying national wealth is where Bolshevism, due to its long-term systematic dissolution of the market economy, agriculture and natural environment, has caused more damage than Fascism or National Socialism. A lot of long-term damage was also caused by the Bolshevik persecution of democracy, religion and Church, with its collectivistic cages and repression of free innovation.

Totalitarian Stalinist-type terror directly impacted several hundreds of thousands of people in Slovenia (population 1.5 million) in civil war, class war and war against religion.

The Nagode Show Trial

In 1944, Ljubo made his way from Switzerland to France, where he joined the 5th Overseas Brigade, formed from the Western allies of Slovenians. These prisoners of war had been mobilised in the German army, contrary to the provisions of international law. After arriving in Split, Ljubo became aware of the extrajudicial killings and of fear and hostility to the Western Allies. That was also the case when he arrived in Slovenia:

Allied aircrafts approached and dropped clothes, weapons, etc., at the same time it was rumoured that this was all together nothing, because our army was supplied by Russians, though I never saw any Russian aircraft. They explained to me that Russian airplanes always approached at night. Someone also explained how much better the Russian radio equipment was than English walkie-talkies, which the artillery had. Finally, I saw Russian radio equipment myself. It actually had Russian inscriptions, but when I pulled back the edge of the cover, I immediately saw "Made in USA". In short, no one wanted to give the Allies any credit. If it was necessary to recognize that they are supplying something, then someone quickly remarked that they send useless things, for example only left shoes, etc.¹³

¹²Ljubo Sirc, *Between Hitler and Tito*, London 1989

¹³Ljubo Sirc, 1953. Autobiography, Arhiv Republike Slovenije (Archive of Republic of Slovenia): AS 1931, dosje (file) 9195.

Any association with Westerners was controlled by Tito's political police, as were opposition activities against the Communist Party, although the freedom of political organisation was allowed by the Tito-Šubašič Agreement (the agreement between the Royal Government-in-Exile and the leadership of the Communist Partisan movement).

I was convinced that it was essential to emphasise that not all Yugoslavs were on the side of the Soviet Union and that they were not afraid to show it. That is why I maintained social contacts with the British, the Americans and the French I met.

Moreover, I was of the opinion that it was necessary to at least try to influence Yugoslav politics by means that were permitted under the law and the agreement. (The Tito-Šubašič second agreement was concluded in Belgrade in November 1944, supplemented by two additional accords in December 1944. Democratic rights and liberties would be assured, including free activity for all political parties and association except those that had collaborated with the occupation forces.)

Although I was aware that I had to be prepared for problems because of my opinions, I was absolutely convinced that it was nothing illegal. On the contrary, I deemed it even to some extent to be my duty and, therefore, I did not want to be distracted by whistleblowing from my acquaintances that sometimes wondered how I dared to show myself in public in the company of foreigners.¹⁴

In Slovenia after World War II, more than 25,000 people were convicted at the Stalinist show trials, most from 1945 to 1950. The official list of those sentenced to death and executed contains 215 people, but almost the same number received the death sentence followed by execution in military courts. A special torture by the authorities was reserved for those who were sentenced to death and then pardoned. As a rule, those convicted were requested to cooperate with the political police.

Ljubo, his father Franjo and his uncle Metod were sentenced in the Nagode trial in 1947, one in a series of processes by which the Communists destroyed the democratic opposition.

The worst that can happen to a human being happened to me: I was sentenced to death; my father was sentenced to ten years, even though he had not engaged in politics for a long time; my uncle, who was actually interested in politics, came to Nagode only once or twice in the spring of 1946, so he was not informed about anything, but he was sentenced to five years; I lost my home a second time, they took even most of the household items that were in our apartment from my mother.

For a long time I did not realize the gravity of my situation. The first few months after the sentencing I mostly tortured myself with complaints that I did not more actively defend those about whom I was sure that they were not guilty of anything.

Towards the end of 1947, my ability to think clearly returned. Then aversion grew in me against everything that happened to me; any viewpoint I took, I could not understand why it was necessary to destroy me completely, and especially my family. Due to the acts which I was accused of, not - in my opinion - even my worst enemy could impose a penalty that was out of any proportion with them, even if he would not take into account the motives that have led me in doing so.

¹⁴ Ibid.

I wrote the above not to reproach anyone about anything, but because I want to show my state of mind at the time.¹⁵

Ljubo was sentenced to death, commuted to 20 years imprisonment. He spent seven and a half years in prison, including two years in solitary confinement. But even in prison Ljubo intensively researched and came to the conclusion that a communist economy and system cannot survive:

The overwhelming majority of people in Yugoslavia read Communist newspapers with distaste, while for me they were every day more and more welcome literature. Each issue was further proof of what mistakes communist economists make. I read them all from the first to the last letter. The communist newspapers convinced me that a communist economy will never function properly. I began reading Marx and Engels - here each page was confirmation that our torturers are mistaken. And I began to write these thoughts down.

I lived in constant spiritual excitement. My brains were dealing with new combinations. My mother hardly believed her ears when she visited me, when I excitedly said: "Now this is my real university."¹⁶

File 9195

Secret police file 9195 has 645 pages. Less than a quarter of the material in Ljubo Sirc's file is from the Nagode trial. When Sirc was released from prison, they were illegally opening his post. After being released from prison, Sirc could not get a job. "I was released from prison in 1954. While the political situation had radically changed, I escaped across the border because the secret police tried to force me into working for them." After his escape in 1954 they tried to find out how Sirc and Kamenšek¹⁷ managed to escape to Italy.

Agents and even his uncle Metod Pirc had to write letters to Sirc at the dictation of the political police. Sirc was monitored by spies sent from Slovenia or by the ones that were already operating abroad. In the dossier, twelve acting agents have code names: Lazar, Popov, Melita, Trubar, Krpan, Gorjanc, Justin, Kralj, Univerzalec, Padalec, Dolomit, and Janicar. They monitored Sirc's movements and analysed his publications and lectures. Let us mention some: Communist foreign policy of Yugoslavia, Tito's economic miracle, Theory and practice of Yugoslav self-management, etc. In particular, they were interested in Sirc's memories and his rallies against the leading Yugoslav communists.

The register of names in the file listed more than 300 people, including leading Yugoslav political emigres. Among those are Nora Beloff and Otto von Habsburg.

File 9195 demonstrates the ignorance and incompetence of the political police, as many of Sirc's important texts are not registered. Also the list of people with whom he had contact is incomplete.¹⁸

¹⁵ Ibid.

¹⁶ Arhiv Republike Slovenije (Archive of Republic of Slovenia): AS 1931, dosje (file) 9195.

¹⁷ Stanko Kamenšek, an air force officer, was a former fellow prisoner of Sirc.

¹⁸ Ibid.

Long march

In 1991, Ljubo Sirc answered the question of whether he is driven in life by anger:

Anger, anger that despite my good intentions which I myself had, and, in my opinion, other people with whom I worked also had, that these good intentions...caused persecution, which of course not only hit me but it hit so many people. It seemed to me, I would say outrageous... And that stimulated me, it gave me the power to resist, to reflect, I wrote on matter, moreover I started to analyse what is happening at home, and so it was a driving power of my life.

When in Europe in 1968 both the West and the East were breaking open, Slovenian political emigrants formed their own initiatives. In order to establish a dialogue with the Titoist regime they proposed various conciliatory proposals. Ljubo Sirc in the introduction to the Three Open Letters on national reconciliation expressed an attitude of dialogue towards the regime¹⁹:

But if we find ourselves in unexpected places, even more strange things happen at home. I have to admit that in the early fifties, and even much later, I could not think that so much will change under the rule of the same people. Obviously, the facts and only half expressed public opinion have done their job.

When we established that, we must ask ourselves what would happen henceforth. Or to insist on the old fronts, or to forget old differences and try to gather people of good will on all sides, to look for a common ground and the possibility of proceeding together.²⁰

But peaceful discussion was not possible. Following the partial liberalisation, the communist hardliners, headed by Tito after 1970 deposed the liberal communist leaderships in Croatia, Serbia and Slovenia.

An ominous sign was the appointment of Mitja Ribičič to the post of president of the Yugoslav federal government in 1969. Sirc wrote an Open letter to Mitja Ribičič, chairman of the Executive Council of the SFR Yugoslavia on his three day visit to London in February, 1970:

Recently I have been approached by Slovenian liberal Communists who wished to sound out whether I would be prepared to come to Ljubljana for a visit and discussion. A few moderate exiles accepted such invitations in the past, but the liberal Communists themselves had to warn them to leave the country in a hurry because hardliners, led by people like Ribičič, were making preparations to arrest them. In Yugoslavia, many people believe that the appointment of Ribičič is a desperate attempt at cutting short any rapprochement between liberal Communists and moderate democrats.

Tito will have to choose whether he wishes to go down in history as an inveterate Marxist-Leninist who first used Stalinist and then semi-Stalinist methods, or as a man who restored freedom and prosperity to Yugoslavia.

In the Open Letter he also said: 'Mitja Ribičič had neither the human nor the intellectual qualities to be a Prime Minister anywhere, let alone in a reforming country'²¹.

¹⁹Ljubo Sirc, 1968. Predgovor (Preface). V Vinko Levstik. Triodprtapsma k narodnispravi, Rim 1968.

²⁰Sandi Čolnik, 1991. Interview with Ljubo Sirc, Radiotelevizija Slovenija.

²¹Sirc, Ljubo. 1970. Open Letter to Mitja Ribičič

In 1973 Sirc protested against the proposal that the Yugoslav dictator Josip Broz Tito should be awarded the Nobel Peace Prize: “In view of President Tito’s record, it would be paradoxical to award him a peace prize because:

President Tito has always despised tolerance and moderation, which are the true foundations of peace. To this day he claims to be a revolutionary and believes that Marxism-Leninism should be imposed by violence if necessary.

Regardless of what President Tito’s ideology has been or is today, he has in the past presided over mass murders and mass persecutions, in other words over the Stalinist terror in Yugoslavia from 1941 till 1952. This should rule him out from a moral accolade like the Nobel Prize, if for no other reason than out of respect for his victims.

Under the present political circumstances in Yugoslavia, an award to Tito would mean taking Tito’s dogmatists’ side in their struggle against communist liberals.

The award of a peace prize to a violent and intolerant man like President Tito would be a tremendous boost for all those indulging in violence for allegedly political aims, since in Tito’s case revolutionary terror would be elevated to the ‘fight for peace’.”²²

Alexander Solzhenitsyn voiced the same opinion. Tito did not receive a Nobel Prize.

Sirc continued his critical dialogue with the Yugoslav communists in 1985, when he published an open letter to Stane Dolanc and Mitja Ribičič:

Analysing and criticising communism seemed to be "anti-Yugoslav" only to a man as blind as Ribičič, but actually is only in favour of the Yugoslav nation as Communism Yugoslavia - and other eastern European countries — despite high-flown phrases did not bring about anything other than oppression and falling behind in poverty. Though the Communists use violence, ruthlessness and demagoguery to remain in power, no one sane can believe that their obsolete ideas will potentially bring well-being of their subjects, as enjoyed by working people in the West. Indignation about the mass killing and economic confusion just is not “anti-Yugoslav”.²³

The letter was published in Britain in 1985 and in 1989 in Slovenia by the student newspaper *Tribuna*.

In 1995, Sirc wrote to the President of the League of Communist War Veterans and to the President of Republic of Slovenia, a former communist:

Mr. President and Mr. General, I hope that my arguments are clear enough that you can understand how evil the past of the Communist Party is. I would ask you and all the other communists to renounce not only communism and communist past, but also communist habits, give them up and condemn them so that Slovenians will finally be able to begin to talk with each other as people, and that our life will be without a totalitarian burden.²⁴

They did not answer.

²²Ljubo Sirc, 1973. Nobel Peace Prize for President Tito: an open letter

²³Ljubo Sirc, 1985. Odprtopismo Mitji Ribičiču in Stanetu Dolancu. Ponatis v Tribuni, 1988/1989 št. 15.

²⁴Ljubo Sirc, 1995. Resničnaborba za svobodo: množičnoubijanje - častalisramota za Slovence?, Kranj.

Communist economies

Sirc has always advocated liberal economic ideas and was a member of liberal associations. He participated in the committee of liberal refugees of the Liberal International. From 1967 he was a regular member of the Mont Pelerin Society - here he liked the “German Freiburg ordo liberal school”. The economist Friedrich von Hayek was, from the foundation of CRCE until his death in 1992, a member of the Centre’s Advisory Council.

With his criticism of the communist economies Sirc experienced a lot of opposition between leftists in the West:

It was far from pleasant to be right about communism...
East European refugees were treated as if they all suffered from persecution mania. Instead of discussing arguments, left-wing academics heaped abuse and ridicule on the hapless newcomers.

Despite all this, Ljubo was constantly pointing out the unfeasibility of the communist economic utopias and their practical errors. His findings from prison were published in 1957 in the Liberal International. In 1958, he moved to Switzerland to pursue his doctoral studies. In 1960 he went for a year to teach at the Holy Cross College in Dacca.

When Sirc saw that the Yugoslav delegation suggested collectivising of agriculture to Pakistanis, he wrote a *Discussion Document on Yugoslav Agriculture*.

Sirc published his doctoral thesis in 1962²⁵, its sequel in 1963.²⁶ In the autumn of 1962, he was given a position at the University of St. Andrews in Dundee, Scotland. In 1963 he became senior lecturer in Political Economy at the University of Glasgow.

In the mid sixties, there was renewed contact with economists from the Eastern Bloc. The Booklet on inflation in Yugoslavia was translated into Serbo-Croatian²⁷. At some conferences in the West, economists from the East participated as well. Then Eastern Europe began closing up again: it was noticeable at the conference in Rapallo quite a few easterners were missing.

Post scriptum

History, in line with Sirc's estimates, unravelled in a few years. In the Slovenian case, historians, even those whose hearts beat on the left, quickly wrote off self-management. Peter Vodopivec wrote about the uncertain “journey on the self-management ruts” and “unsuccessful attempt of modernization and democratization”. Zdenko Čepič stated that: “the whole system of associated labour ... has become an end in itself and was a legal contradiction of what it was called - self-management.” The model of basic organisations of

²⁵Ljubo Sirc, 1962. Entwicklung der Kommunistischen Wirtschaft in Jugoslawien (Development of the Communist Economy in Yugoslavia). ORDO: Jahrbuch für die Ordnung von Wirtschaft und Gesellschaft Vol. 13.

²⁶Margaret S. (Margaret Stevenson). T. M. Piotrowicz. L. Sirc. H. Smith Miller, 1963. Communist Economy under Change: Studies in the Theory and Practice of Markets and Competition in Russia, Poland, and Yugoslavia, London.

²⁷Ljubo Sirc, 1966. Inflacija u SFR Jugoslaviji, London

associated labour, introduced by the Law on Associated Labour in 1976, began to fall apart even before the law came to being. According to Prinčič, “in Slovenia, the process of removing of BOALs (basic organisations of associated labour) started in 1983 and finished in the next year.” Most of the 3,000 BOALs were abolished, and no one grieved for them. Therefore, in a way this death coincides with a chapter in Vujić's book: Self-management socialism –abortion of party centralism.²⁸

Centre for Research into Post-Communist Economies

Many people said to Sirc about his book, *The Economy under Yugoslav self-management* “...that they were aware that my predictions will come true”. But the reaction of some people was not favourable and Sirc was advised to leave the university. He retired in 1983 and founded the CRCE.

In 1983 Dr Sirc, together with Ralph Harris (Lord Harris of High Cross) and Sir Anthony Fisher, founded the Centre for Research into Communist Economies (now Centre for Research into Post-Communist Economies) of which he is still the President. A small think-tank with a tiny staff (well, one with a few helpers here and there) it has contributed more than bigger and better funded institutions to changes in Eastern Europe and, in the first place, Russia. Its influence is seen in the developments in many of the post-Communist countries. The Centre publishes the results of research in a series of paperbacks and, since 1989, a quarterly academic journal, *Post-Communist Economies* (previously *Communist Economies and Economic Transformation*). This research output has been featured in the press and other media. The Centre has also organised symposia and seminars, sometimes in cooperation with other institutions.

Eastern Europe

In 1988, for the first time after escaping from Yugoslavia in 1955, he travelled to the East. He visited a conference on alternative socialist models in Gyor in Hungary. In 1989 he visited Warsaw and finally Yugoslavia.

After Anatoly Chubais met Ljubo Sirc in Gyor, the meetings with the Russian reform economists continued in Sopron in 1988, with ongoing mutual visits, until finally the Russians together with the CRCE founded ICRET (International Centre for Research for Economic Transition) in Moscow. The co-chairs were Professor Lvov and Lord Harris, and co-chairing the Science Board were Yegor Gaidar and Ljubo Sirc. In 1990 the London-Moscow held a conference at Lake Constance in Switzerland, followed by meetings in Bled in Slovenia, and in Paris in 1991. At the last Paris meeting Yegor Gaidar held a resounding press conference, which paved way for his further ascent.

These reformers were in fact in contact with Yeltsin who in 1991 was elected Russian President and appointed Gaidar his Prime Minister. Gaidar's friends occupied certain economic ministerial positions. But soon it turned out that the young reformers, despite their extraordinary economic knowledge and skills in contacts with western foreign countries, lacked the political connections in Russia itself. Therefore, after one year as Prime Minister,

²⁸Jože Dežman, 2015. Industrijabombažnih izdelkov Kranj in samoupravljanje (Cotton Products Factory Kranj and Self-management). In Monika Rogelj ed. *Gospodje in tovariši* (Gentlemen and Comrades), Kranj.

Ljubo Sirc – Honest, Loyal, Rebellious

Gaidar was replaced by Chernomyrdin, but the young reformers, however, remained in some of the leading positions. Anatoly Chubais was even head of the president's administration, when Yeltsin was seriously ill.²⁹

For his immense contribution in promoting Democracy in Eastern Europe, Queen Elizabeth II invested Ljubo Sirc with the title of CBE (Commander of the British Empire).

Rehabilitation and denationalisation

The sentences the Nagode trial were not annulled in the Republic of Slovenia until 1991. With the annulment of the sentence and by the Law on Denationalisation (1991) some of Sirc's property was returned, but the process got stuck in the assessment of the value of the land where their textile factory stood. The factory was destroyed by the Germans. Sirc has unsuccessfully asserted his property rights all the way to the European Court of Human Rights.³⁰

Group for Democratic Alternative

The Group for democratic alternative in Yugoslavia started work in 1963. In 1976 and 1982 they accepted a statement concerning the settlement of the Yugoslav question. Democratic meetings of Yugoslavia have been held since 1980. Chairman of the Coordination Committee was Ljubo Sirc. In 1986, they received a call "that Yugoslavia as a state and society is at a critical juncture and that "democracy, based on human rights and civil liberties, on tolerance and understanding, on the legality and the principle of accountability," is the only possible way out of the current impasse."³¹

Non-liberal democracy

But Yugoslavia went its own way. Members of the Democratic alternative worked on in their republics. In 1992 Ljubo Sirc ran for president of the Republic of Slovenia. His name was misused for this candidacy by the Liberal Democratic Party, where the majority of members were from the former Union of Socialist Youth. Sirc in 2010 commented:

Completely crazy; I myself completely misinterpreted the situation. When the Communist Youth renamed themselves the Liberal Party, I met them at the Liberal International in London.

Sirc hoped:

²⁹Ljubo Sirc, 2010: *Dolgoživljenje posmrtniobsodbi* (Long Life after Death Sentence), Ljubljana.

³⁰Ljubo Sirc, 2008. *Totalitarian Features of the Judiciary in the Republic of Slovenia*, in Peter Jambreč, ed. *Crimes committed by totalitarian regimes: reports and proceedings of the 8 April European Public Hearing on Crimes Committed by Totalitarian Regimes*. Ljubljana.

³¹Gorazd Suhadolnik, 1989. Interview with Ljubo Sirc. In *Ključnihpet: intervjui Gorazda Suhadolnika s članovima Demokratske alternative – nacrt nove zajednice jugoslovenski hnaroda* (The Key Five: interviews by Gorazd Suhadolnik with Members of Democratic Alternative – Plan of new Community of Yugoslav Nations), Mladina.

...that Slovenian politics will run under normal European routes; but on the contrary, they double-crossed me.³²

Liberal Democratic Party members elected the ex-Communist candidate Milan Kučan. Sirc received 1.5 percent of the votes, and the Liberal Democratic Party received 24.5 percent of the votes.

The economic transition also stalled due to the continued dominance of the communist elite. Ljubo Sirc pointed out that even the political officers who had persecuted him in the Nagode trial successfully migrated to the new commanding elite.

***Ljubo doma* – Home sweet home**

The Yugoslav authorities treated Sirc as an enemy until the end:

In 1984, the editors (France Bučar v Dragi – JD) of the *Nova Revija* (New Review) from Ljubljana asked me for a contribution to the debate on possible solutions of the Yugoslav crisis. I immediately sent an article that was never been printed, because the authorities did not allow the publication, saying that I am a "hostile emigrant".

Ljubo doma – since Slovenia's independence Ljubo Sirc is in a constant presence in the public eye with his books, interviews, articles, comments. *Ljubo doma* can be translated either as "Ljubo at home" or "Home sweet home".

In 1996, in his book on the lack of success in Slovenia, he called for free and competitive enterprise, but also added some warnings that are still valid today:

In any case, the Slovenian privatisation law led to a scattered ownership, which is contrary to the conditions for efficient management and proper functioning of companies...

In a sense, entrepreneurship is inhibited by the mere presence of former-communists in leadership positions, especially if they did not acknowledge in the public how mistaken was their communist "religion".³³

Ljubo Sirc is the voice calling for change, freedom, democracy and creativity. Honest, loyal, rebellious.

³²Sandi Čolnik, 2010. Interview with Ljubo Sirc, TV Slovenija.

³³Ljubo Sirc, 1996. *Iščemopodjetnike: zgodba o premajhnem uspehu v Sloveniji* (We are looking for entrepreneurs - the story on the lack of success in Slovenia), Ljubljana.

Appendix I - *Yugoslav economy under self-management*

Sirc paid special attention to Yugoslavia. He was constantly reminding people that Titoism was a disaster for Yugoslavia in both the Stalinist and the self-management phases. Bernard Brščič in the introduction to the Slovenian edition of selected essays on self-management by Ljubo Sirc (*Brezpotjasocializma - Wayward Socialism*, 2010) places Sirc's scientific work in the third phase of discussions on the socialist calculation. "The level of his criticisms in contrast to Ludwig von Mises and Friedrich Hayek descends from the heights of academic abstraction to concreteness socialist reality. ... When even Western economists lauded Yugoslav self-management, he published a series of articles, critically discussing economic conditions in Yugoslavia and highlighting the inefficiency of the economic system."

Sirc wrote:

Because of persistent accusations of partiality, I have developed a habit to always support my views with what the communists themselves said. I also extensively used daily and weekly newspapers, as they are in my view more genuine reflection than books or magazines which are less spontaneous response to the events, and are easily distorted for ideological purposes."

Even finding a publisher for *The Economy under Yugoslav Self-Management*³⁴ was a problem for Sirc. The Yugoslav authorities wanted to prevent the publishing of the critical writings on Yugoslavia by confiscating Sirc's mother's passport with the threat that she would not see her son again, if he continued to criticise Yugoslavia. Sirc informed the media, and under pressure the Yugoslav authorities returned her passport.

Selected quotes:

Word-drunk

Although it is admitted that the Yugoslav economy is inefficient, the usual response is manipulation of words because real solutions are not acceptable to Marxists. The French socialist leader, François Mitterrand, observed, during a visit to Yugoslavia, that the Yugoslav communists were word-drunk and that the term 'self-management' was used as a magic word which was believed to solve everything. The worst offender in this respect is Edvard Kardelj, who has no sense of reality but juggles with words to the horror of all those who have to carry out his continuous 'innovations'.

Large projects disease

The 'large projects disease' was severely criticised after the initial period but it continued and, combined with mergers.

While before the war the total number of crimes against property amounted to 7664 cases in 1938, in 1952 the number of crimes against the national economy and against private and social property rose to almost 60,000 cases. The strictest measures were taken and people were even shot for theft, but it was denied that the rise was due to the low standard of living. It was particularly irritating to the authorities that people did not regard crimes against social

³⁴Palgrave Macmillan, London, 1984

property as crimes at all. The general attitude was ‘What belongs to everybody, does not belong to anybody’ and ‘some time or other everybody must go to prison’.

Employees, fictitious employees, work abroad

All in all, in the mid-1970s, there were about 700,000 fully unemployed, 700.000 workers abroad, 500,000 in unproductive employment in manufacturing and possibly the same number in agriculture. This means that worthwhile work cannot be found in Yugoslavia for about a quarter of the total labour force and about one- third of the non-agricultural labour force. ...

Official figures indicate that, at the end of 1972, there were about one million Yugoslav workers and dependents abroad. This was about 10 per cent of the total active population and about 20 per cent of those employed outside agriculture. For 1975, the figure was put at 1.1 million. ...

Waste of talent

The number of students, however, rose to over 400,000 in 1976.

In turn, the students were working without much enthusiasm. In 1965 one half of all students never bothered to graduate while the rest took over 6 years on average to complete their first degree. In 1975, only about 17 per cent graduated within the regular period and only about 30 per cent graduated at all.

Powerlessness of the powerless

Under Yugoslav self-management, the workers have the right to decide on the most technically involved questions, for example about investment worth hundreds of millions. However, what workers want is not participation in investment and similar decisions but participation on the shop floor and in decisions which affect them as individuals, which mean those concerning working conditions and, above all, their own incomes. These latter matters can provoke long debates at meetings, while investment decisions are taken almost without discussion.

Invisible doors

Social mobility in Yugoslavia was minimal. Of course, the social picture did change immediately after the war, or rather after the revolution, but the social position changed most for those who joined the communist party after the war, then for those who had been party members since before the war, less for those who participated in the liberation war without becoming communists, and hardly at all for the broad mass. On the contrary, the class of rulers rose much above the mass.

Now they are protecting their position and have erected walls around themselves. In the Slovene parliament, there was one single industrial worker in 1971, i.e. 0.3 per cent of the total membership, while 71.2 per cent of members belonged to the ‘leading personnel’.

Appendix II - *Economic devolution in Eastern Europe*

In her introduction Margaret Miller writes: “This book is concerned with the freedom of the human spirit. It is concerned with Eastern Europe, where the battle for that freedom is tragically in progress.”³⁵

Some quotes from the book:

Tanks can achieve everything except solve economic problems’ – Sirc’s comment on Soviet aggression on Czechoslovakia in 1968.

One reform necessarily leads to another– no way back

The only way to make the system more efficient appeared to be to decentralise by transferring substantial parts of decision-making from central authorities to individual enterprises and to simplify orders from the centre. ... One reform necessarily leads to another. ...

Dead economists and dead politicians

The experience of the last two or five decades strikingly illustrates that the three main precepts of communist economic policy are not valid: abolition of private ownership of means of production, zero charges for the use of capital, and the predominant development of heavy industry. ...

This situation is humiliating, and East Europeans sense the restriction on mature people which forbids them from finding feasible solutions to their problems by forcing their thinking into grooves carved by the minds of a dead economist of the 1860s and a dead politician of the 1920s.

Marxist fallibility and peace

It is impossible to imagine ‘peaceful co-existence’ with governments who claim to possess a final truth which allegedly entitles them to impose it on others. The new awareness of the possibility of error will not do away with all conflicts, be they national, racial or economic; but it will at least make it possible for rational men to discuss them.

Democracy and economic development

Democracy is much more conducive to growth than dictatorial pressure with the use of unwarranted precepts and bogus development. Such views seem to be gaining ground in Eastern Europe. ...

³⁵Ljubo Sirc, 1969. *Economic Devolution in Eastern Europe*, Longmans: London.

Appendix III - Optimism and humour

In 1991, Sirc said in a TV interview: “I am by nature very optimistic, far too optimistic. Optimism is haunting me, it put me in great trouble, but on the other hand, it also got me out of serious difficulties”.³⁶

Ljubo Sirc wrote an introduction for a humorous book by Žarko Petan, *Merry Dictator: A Farce in Prose*³⁷ (1994) about Yugoslav dictator Josip Broz Tito.

Sirc also translated some of Petan’s aphorisms about communism:

At the liberation of our fatherland we lost liberty.

*

Ordinary police search for criminals; the secret police designate who they are.

*

Before the war, we had nothing. Now we have twice as much.

*

It is a pity we did not live to see full communism; it would have sobered even its most fervent advocates.

*

*Originally, we looked for a way into socialism. Now we are looking for a way out.*³⁸

³⁶Sandi Čolnik, 1991. Intervju z Ljubom Sircem, Radiotelevizija Slovenija.

³⁷Ljubo Sirc, 1994. Katastrofalno, vendar ne resno. V Žarko Petan: Veselidiktator, Maribor 1994.

³⁸Ljubo Sirc, 2000/2001. Aforizmi v časutranzicije. *Communism in aphorism*, <http://crce.org.uk/briefings/brief3.shtml>

Dr Ljubo Sirc and Economics
By Keith Miles OBE

Ljubo Sirc is now in his nineties and suffered attacks on his thinking and research throughout most of his life.

We are all tempted to gloat when events prove us right but we also know that there is no point and no joy in gloating. Ljubo was proven right with his analysis of the intellectual and practical flaws and contradictions in the self-management system of communist Yugoslavia, but it was never in his personality to say ‘I told you so’. It would have been quite understandable if Ljubo had taken that attitude because the left-wing economists of the time denigrated his research and conclusions as those of a biased dissident and émigré. However, his research, not theirs, has stood the test of time.

Looking back it is clear that many of the critics were sad and somewhat disillusioned socialists. The ideological path that many trod was first admiration for the Soviet Union followed by dismay at the invasion of Hungary and then Czechoslovakia. Many switched their admiration to one for Tito and his brand of communism, never believing the facts of his abuses of human rights or post-war murders, or the failures of his dictatorship.

The ‘crime’ of Ljubo Sirc in their eyes was to show that this self-management form of socialism was also a failure and could never work. Even now most are unaware of the regular bankruptcy of the system and the bail-outs by the west, mostly done for cold-war strategy, the result of which was a standard of living greater than other communist countries, but paid for by western loans that were wholly or partly written off in due course.

Ljubo’s book *The Yugoslav Economy under Self-Management*, written in 1979, stands the test of time and quality as a masterpiece of economic research and analysis.

He traces the development and progress through all the basic elements and the myriad changes often using local information that made it difficult for western pro self-management ideologues to refute the evidence. The use of practical and real life examples was only possible by someone who knew Yugoslavia very well and despite his exclusion from the country he maintained many private contacts.

He shows the regular changes that were necessary to regulations to try to mimic market forces and how they failed; how in fact they induced poor productivity, how they created indecisive management, encouraged monopolies, and terrible investment decisions.

He also points out that the communists wanted to control the distribution of wealth rather than its creation through an efficient economic system.

He was not against worker ownership as such or co-operatives and indeed quoted the success of co-operatives in pre-World War II Yugoslavia, but showed that you could not base a whole economy on these structures. The truth of his research and analysis was also evidenced by the Secret Police file that was kept on Ljubo right up to the days when democracy returned.

What shines through is the ‘religious’ belief that the communists had in the inevitability of the triumph of communism as the ultimate goal, but the main debate seemed to be not the goal but how to get there. The detailed descriptions of the changes in the end showed the incompetence of the rulers and the determination of Tito to retain power at all costs.

The fact that many emerging nations tried to follow the ‘Yugoslav’ path shows that they were seduced by this other way to their desire for socialism and their clear rejection of Stalinist state communism.

As Ljubo said in his 1979 conclusions - ‘The Yugoslav Communists have led the economy of their country into a blind alley because they ‘studied exclusively pure theories of Marxist and political economy’ instead of taking into account the economic facts of life.’ ... ‘Because of their unjustified confidence that Marxism gave them all the answers, the Yugoslav Communists have done much harm to the country. They first tried the final answer of centralist planning and, when it did not work, embarked on an ever-changing experiment with self-management which is as incomplete now as it has ever been.’

Nora Beloff, in her seminal work in 1985, *Tito’s Flawed Legacy*, said of the self-management system: ‘If the experiment had worked, the Western world would have been forced to re-examine the economic laws governing the market economy. Instead it turned into a cautionary tale: efforts to manage the market diverted the pressures of demand and supply into such anti-social practices as high inflation, black markets in currency and commodities, smuggling, speculation, almost ubiquitous corruption and massive moonlighting in working hours.’ As she perceptively divines, the system had become a ‘Holy Grail’.

The legacy of the self-management system is still evident in some of the current practices in the countries of former Yugoslavia, and it seems that they have not only been the cultural base of senior managers but also adapted in a mutated sense to the co-determination ethos of many continental countries. The malign influence can be seen in the rigid labour market, the dislike of profits, the over-consulting, the bureaucracy, the courts, the over-reliance on so-called experts, and preference for loans as opposed to share capital and retained profits, and unfocused education. Even now the book *The Yugoslav Economy under Self-Management* written in 1979 is relevant - current top managers and politicians would learn from it.

No doubt when Ljubo was advising the Russians on the transformation of the Soviet economy he used much of his theoretical and practical knowledge to guide the young reformers away from many pitfalls. He would have been aware that many of the former communist countries in the Soviet universe had flirted with the idea of the Yugoslav self-management system as a step out of communism. Of course he would not be happy with the oligarchy that has prospered under Putin. However, he knows that other elements have helped to keep Russia from returning to the moribund past.

The Soviet Union had its own pseudo-scientists such as Trofim Lysenko who by his ideas, however well meaning, held back Soviet agriculture and Ljubo would have placed the Slovene communist Kardelj and his self-management pseudo-science in the same category.

Recognition of the economic stature of Ljubo Sirc came with the award of a CBE by the Queen.

Further Reading

CRCE Briefing Papers available at <http://www.crce.org.uk/briefings/>

Portrait of a Political Policeman by Ljubo Sirc CBE – CRCE, London: November 2003

Communists Favour World Disorder by Ljubo Sirc CBE – CRCE, London: May 2003

Communist Ideas and Influence after 1989 by Ljubo Sirc CBE – CRCE, London: July 2002

Transition: Privatisation and Private Property by Ljubo Sirc CBE – CRCE, London: July 2001

Communism in Aphorism (with the transition thrown in) by Žarko Petan & presented by Ljubo Sirc CBE – CRCE, London: June 2001

CRCE Books

Close Designs and Crooked Purposes: Forced Repatriations of Cossacks and Yugoslav Nationals in 1945 by Nikolai Tolstoy – CRCE, London: May 2012

The Rule of the Law in the Market Economy: Two Aims of Transition - A CRCE Conference, with an opening address by Ljubo Sirc – CRCE, London: July 2009

Power and Property by Ljubo Sirc CBE – CRCE, London: December 2003

Looking Forward to the Past: The Influence of Communism after 1989 - A CRCE Conference in Bled, Slovenia – CRCE, London: October 2003

A Russian-Slovene Conversation by Yegor Gaidar and Ljubo Sirc – CRCE, London: July 2000 (new edition April 2010)

Other Publications

Hoodwinking Churchill by Peter Batty – Shephard-Walwyn Ltd, London 2011

Kaznovana Podjetnost by Jože Žontar, introduction by Ljubo Sirc (in Slovene with an English language summary) – *Nova Revija*, Ljubljana 2005

Slovenia 1945 by John Corsellis and Marcus Ferrar – I.B. Tauris, London 2005