

**Beitragstitel:**

Self-governing Socialism between Marxist Critique and Neoclassical Technocracy:  
Some Contradictions in Critical Yugoslav Economic Theory

**Abstract:**

The hegemony within economic thought in socialist Yugoslavia embodies a specific merger of an (orthodox) Marxist critique of the Political Economy and neoclassical theory of markets and planning. Those theories are widely considered incompatible. Whereas Marxist theory constitutes a radical critique of capitalist relations and generally remains silent about the actual planning practice in a socialist society, neoclassical theory is an a-historic and affirmative theory of universal exchange via the market that has no genuine concept of class or labor. In contrast to other eastern European socialist countries, socialist Yugoslavia was almost from its beginning relatively open to Western societies, regarding both international trade of goods, labor and financial flows, as well as the exchange of knowledge. Therefore a vivid theoretical debate was possible between western and Yugoslav Marxists and neoclassicals alike. This paper aims at identifying and re-evaluating crucial theoretical contradictions in Yugoslav planning theory, which draws upon those two contradictory theories. Following a Marxist perspective, I understand the dominant or hegemonic mode of thought in Yugoslavia – the specific mix of neoclassical and Marxist theory – and its contradictions as closely related to real contradictions in the political economy. Mandel, for instance, argues that any society in transition from capitalism to socialism is necessarily riddled with the contradiction of a non-capitalist mode of production and a bourgeois mode of distribution, as long as scarcity of goods is an issue. A Marxist critique of capitalist production and a neoclassical theory of optimal distribution of scarce resources seem to be the adequate theoretical expressions for such a actual contradiction. However, the specific manifestation of this contradiction is widely

considered unique in socialist Yugoslavia because of its relative important role of markets in societal coordination and its open unemployment that was unprecedented for a socialist society. It is of particular interest to what extent theoretical contradictions can be related to those real contradictions in societal practice. Works of critical (economic) theorists of Yugoslav self-governing socialism such as Branko Horvat and other PRAXIS-affiliated intellectuals in Yugoslavia are the main body of reference for this paper. Although the goal is to reconstruct and re-evaluate the conceptual and theoretical contradictions within (critical) economic theory in Yugoslavia specifically, this work might be of relevance for understanding the relationship between neoclassical and Marxist theory more generally.