

Slovenia, Croatia and Serbia: Development models, crises, social protests and the question of alternatives

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Abstract

The article analyses the space for development alternatives in three successor states of Yugoslavia – Slovenia, Croatia and Serbia. Potential space of development alternatives have been opened by the present crisis. The article starts with a comparative analysis of the pre-crisis development models and their crises. The political responses to the crises have been shaped by socio-economic structures, the mode of articulation of these economies into the international economy and the constellation of political actors. The article analyses the anti-crisis policies of the three governments, social protest movements, and their proposals for alternative economic policies and development alternatives from a comparative perspective.

Keywords: Slovenia, Croatia, Serbia, economic development, crisis, social protests.

1. Introduction

The present crisis has laid bare the contradictions of the pre-crisis development models in the successor states of Yugoslavia. This opens potential space for devising development alternatives. However, pre-crisis development models, the social structures and the crisis processes of the successor states have not been uniform. Therefore, the space for and the real movement towards alternatives differs among the different states. Contesting movements and the debates on development alternatives are a bit more advanced in Slovenia, Croatia and Serbia than in the other states of the post-Yugoslav space. Therefore, this exploration of alternatives will focus on these three states.

Slovenia, Croatia and Serbia already had adopted different types of specialisation in Yugoslavia. This differentiation has deepened even more with the

break-up of Yugoslavia. Slovenia's development pattern has diverged significantly from the other Yugoslav republics and later successor states. Its industries had been more export-oriented and less biased towards heavy industries. This manufacturing structure coped relatively well during the capitalist transformation. Industry has remained an important pillar of Slovenia's development model. Around 2004, financialisation became its second major element. In Croatia and Serbia, financialisation has been the key feature of the pre-crisis growth model. Both countries have suffered from severe de-industrialisation due to the wars which accompanied the breakup of Yugoslavia and due to the post-war economic policies. Not surprisingly, the patterns of the present crisis have differed as well among the three countries. The first section of the article deals with the pre-crisis development models, their contradictions and their crises.

With different development models, the conditions for formulating alternatives differ as well. It depends on the social and political constellation of forces how far these potential spaces can be exploited. For changing social and political constellation of forces, both the strength of social movements which might have an indirect impact on state policies and of left-wing parties which might eventually directly influence state policies and the design of state institutions are essential (cf. Becker, 2002: 133 ff.). Therefore, the article in subsequent sections will analyse in which way social movements with an alternative economic and social agenda have played a role in the present crisis and in how far left-wing parties or – at least proto-parties – have emerged in the region. The political constellation at the national level is significantly affected by the relationship with the EU. Within the post-Yugoslav space, the individual nation states display different degrees of integration into the EU – ranging from membership in the euro zone in Slovenia respectively in the EU in the case of Croatia to official candidate status in Serbia and forms of formally circumscribed sovereignty in combination with supposed first steps towards candidate status in Bosnia and Herzegovina and in Kosovo. Therefore, it is an important question how leftist social and political actors take these EU constraints into account.

2. The pre-crisis development models and their crises

The starting point of any development alternative is the presently existing models of (under-) development. Though Slovenia, Croatia and Serbia have emerged from one national economy, their development trajectories after the disintegration of Yugoslavia display significant differences. To some extent, these differences have roots in the heterogeneous development trajectories of the Yugoslav republics. Slovenia enjoyed the highest per capita income of all Yugoslav republics. Its manufacturing firms were of a smaller size and they were more export-oriented than in the other Yugoslav republics (cf. e.g. Klemenčič

2013: 37 ff.). This proved to be a relative advantage after the demise of the state socialist model. Slovenia's separation from Yugoslavia provoked only a relatively short and circumscribed military conflict, whereas the wars that accompanied the disintegration of Yugoslavia were long-lasting in Croatia and particularly in Serbia. Serbia's economy was additionally subject to sanctions during the 1990s. The wars did not only cause more than 100,000 deaths, millions of refugees and substantial material destruction, but also had a massive impact on the process of primitive accumulation as well. Under conditions of war (and sanctions), privatisation was particularly opaque and characterised by very close relations between the then dominant political forces and a small group of new capitalists who are dubbed *tajkuni*. In both Serbia and Croatia, the *tajkuni* established themselves primarily in service sectors like commerce or in real estate. Manufacturing activities were rather marginal to them. During the war years, industry suffered from a massive decline both in Croatia and Serbia (cf. e.g. Uvalic, 2010; Mihaljević, 2013).

In contrast to Croatia and Serbia, manufacturing interests remained important in Slovenia in the 1990s. The trade unions proved to be strong enough to influence economic and social policy making (Korsika and Mesec, 2014). Relatively strong neo-corporatist institutions, e.g. a Socio-Economic Council, were established. The compromise on privatisation favoured the emergence of domestic capitalists (originating often from the former factory directors). In the privatisation of the social enterprises, workers' interests were at least partially taken into account. The approach to foreign direct investment (FDI) remained selective until the early 2000's. During the 1990s, the Slovenian government established a mild form of capital controls in order to prevent a strong appreciation of the Slovenian currency which would have damaged the manufacturing interests (Becker, 2007). Productive accumulation was pre-dominant in the Slovenian model of accumulation until the early 2000's. Slovenia was the only country in the region that has retained a significant capital goods industry and the technological profile of manufacturing has remained relatively strong.

With entry into the EU and the change from a centre-left government (with strong links to national capitalists) to the right-wing government of Janez Janša (2004-8), the economic policy orientation and the accumulation model in Slovenia were changed. The Janša government favoured financialisation and tried to impose neo-liberal policies. At least in regard to tax and social policies, it had to retract in the face of strong trade union protests (Korsika and Mesec, 2014). As regards to financialisation, it was, however, successful. From 2004 to 2008, Slovenia attracted huge flows of money capital. These flows fuelled massive credit expansion of Slovenian banks (partially in state-owned) and a real estate bubble. Banks became much more reliant on external refinancing - and, thus, externally

vulnerable (cf. Mencinger, 2012: 74 ff.). The debt-led growth of Janša years was accompanied by a significant deterioration of the external account. The current account deficits soared from 0.76% of GDP in 2003 to 6.68% in 2008 (Mencinger, 2012: 68, tab. 1).

The present global crisis has hit the Slovenian economy in a double way. In the late 2008 and early 2009, exports suffered from a heavy decline which had a massive impact on the export-oriented industrial sector. EU-wide austerity policies have had a dampening effect on Slovenia's exports in the following years. The crisis brought the wave of capital inflows to an abrupt end. The credit and real estate bubbles collapsed. The Slovenian banking sector was landed with a huge burden of bad debt. Recapitalisation needs have been met by the state. Whereas the external indebtedness of banks had soared from about 10% to 25% of GDP between 2004 and 2008 (Mencinger, 2012: 78, fig. 6), the efforts to tackle the private debt crisis made the public debt rise from 21.9% of GDP in 2008 to 54.1% in 2012 (Mencinger, 2012: 68, tab. 1, Eurostat, 2013). Slovenia's GDP declined by 8.1% in 2009 (Mencinger, 2012: 68, tab. 1) - which was far above the EU average. Afterwards, it has been particularly the debt problems that have prevented a lasting economic stabilisation. A slight recovery proved to be short-lived. In 2012, the Slovenian economy reverted back into recession. The crisis provided neo-liberal forces both in Slovenia and in the EU with leverage to impose austerity policies. Both Slovenian and the more general EU-wide austerity policies have had an additional dampening effect on Slovenia's economic performance. The unemployment rate rose quite strongly from 4.4% in 2008 (Astrov and Pöschl, 2009: 350, tab. 3) to 8.9% in 2012 (Holzer and Astrov, 2013: 416, tab. 1).

In both Croatia and Serbia, the governments adopted pro-financialisation policies after the end of the wars. The banking sector was taken over by foreign banks (Četković, 2011). These banks pursued very expansive credit policies. Credit growth surpassed GDP growth substantially from 2002 to 2008 (Četković, 2011: tab. 2) – with domestic credits as a share of GDP increasing from 40% to about 75% in Croatia and from 12% to more than 40% in Serbia between 2002 and the end of 2009 (Četković, 2011: fig. 3). Increasing private indebtedness became a major motor of growth (Becker, 2010: 523 f.). A sizable share of the credits has been in foreign currency. In 2008, this share reached about 70% of all credits in Croatia (Astrov and Pöschl, 2009: 354, fig. 5). In case of Serbia, it has likewise been very substantial (Uvalic, 2010: 167 f.); about 80% of the Serbian household credits were indexed to foreign currency (National Bank of Serbia, 2010: 14, graph 2.5). The high degree of informal euroisation made the middle class debtors and the banks highly vulnerable to potential devaluations (Becker *et al.*, 2010: 238). Therefore, both governments pursued monetary and exchange rate policies that aimed at preserving an overvalued exchange rate. The credits lubricated primarily

consumption and real estate business, and the overvalued exchange rate was not favourable to industrial development. Industrial policies were by and large non-existent. The productive sectors, particularly manufacturing, fared rather badly. In both countries, manufacturing production has never again met the 1990 level. In Croatia, the highest post-1990 industrial production index was reached in 2008 when it reached 90% of the 1990 level (Mihaljević, 2013: 69, tab. 2). Afterwards, it has receded again. Industrial employment in Croatia was more than halved from 561,000 to 252,000 between 1990 and 2012 (Mihaljević, 2013: 70, tab. 3). The picture has been even bleaker in Serbia where industrial production reached barely 51% of the 1990 level in 2008 (Uvalic, 2010: 202). The combination of an overvalued exchange rate, credit-driven consumption and weak production structures translated into very high current account deficits – 9.4% of GDP in Croatia and 17.6% of GDP in Serbia in 2008 – and a rapidly increasing external debt which amounted to 83.6% of GDP in Croatia and 70% in Serbia in the same year (Astrov and Pöschl, 2009: 355, tab. 5).

Table 1
Changes of Real GDP in %, 2008-12

	2008	2009	2010	2011	2012
Croatia	+2.4	-6.0	-1.2	0.0	-2.0
Serbia	+6.1	-3.1	+1.8	+1.6	-1.7
Slovenia	+3.5	-8.1	+1.2	+0.6	-2.3

Sources: Astrov and Pöschl, 2009:350, tab.3; Astrov *et al.*, 2011: 363, tab.3; Holzner and Astrov, 2013:416, tab.3.

Table 2
Unemployment Rate, 2008-12

	2008	2009	2010	2011	2012
Croatia	9.0	9.1	12.0	13.5	15.7
Serbia	14.0	16.1	19.0	23.0	24.0
Slovenia	4.4	5.9	7.3	8.2	8.9

Sources: Astrov and Pöschl, 2009:350, tab.3; Astrov *et al.*, 2011: 363, tab.3; Holzner and Astrov, 2013:416, tab.3.

Croatia and Serbia were both hit primarily through the credit channel by the crisis. Due to prior experience of financial crisis, banks' customers withdrew temporarily part of their deposits. This made the banking sector even more fragile. Later, the deposits recovered again (Becker, 2010: 525). Though exports declined as well, this did not matter so much due to the limited importance of export production. The economic policy response to the crisis has been similar in both countries – it did not matter whether the IMF was directly involved (Serbia) or not (Croatia). Both governments responded to the crisis by severe austerity policies

that aimed at reducing imports and stabilising the exchange rate. The latter was the main priority due to the significant degree of foreign currency debts. Since the debt levels were still lower in Serbia than in Croatia, the Serbian government could proceed in a somewhat more flexible way in regard to the exchange rate. Indeed, the Serbian authorities permitted a slight depreciation of the dinar which seems to have had an attenuating effect on the crisis in 2009 (cf. Becker and Weissenbacher, 2012: 44 f.; Drezgić, 2010).

In 2009, GDP declined more steeply in Croatia (-5.8%) than in Serbia (-3.1%); Becker and Weissenbacher, 2012: 44). The GDP performance has continued to be worse in Croatia, where no growth was recorded in the subsequent years, than in Serbia. Unemployment increased dramatically in both countries reaching 15.7% in Croatia and 24.0% in Serbia in 2012 (Holzner and Astrov, 2013: 416, tab. 1) compared with 9.0% in Croatia and 14.0% in Serbia in 2008 (Astrov and Pöschl, 2009: 350, tab. 3). Whereas austerity policies reduced the current account deficits significantly, recession has rather tended to aggravate the existing problems of private domestic debt (Becker and Weissenbacher, 2012: 45). As of 2014, both economies are in a deep crisis.

3. The disintegration of Yugoslavia and the Yugoslav left

The end of state socialism and the violent break-up of Yugoslavia implied a deep rupture for the left in the successor states. Strong forces within the League of Communists were key protagonists in the disintegration of Yugoslavia. The break-up of the League prefigured the disintegration of the Yugoslav state. The nationalist forces were in the end successful to deflect the strong workers' protests of the second half of the 1980s into a nationalist direction. "Therefore, an all-Yugoslav workers' movement could not be established", as Tomić and Kanzleiter (2013: 335) point out. It was only in Slovenia that the trade unions have been able to form strong and combative organisations that were able to gain institutional power through neo-corporatist arrangements and to mobilise against anti-labour policies. The republican structures of the League of Communists transformed themselves into social democratic or socialist parties with a blurred programmatic profile. They have pursued essentially neo-liberal economic policies at least in the post-war years, have been favourable to EU integration (though only with some delay in the case of *Socijalistička partija Srbije*) and have taken a distance from the right-wing forces primarily by maintaining a less cosy relationship with the very conservative church structures and by claiming the anti-fascist heritage (Tomić and Kanzleiter, 2013: 321 ff.). At times, they played a crucial role in promoting the emergence of a small group of *tajkuni* in the 1990s. This has particularly been the case in Serbia where "Milošević's 'blocked transformation' helped to build up a new capitalist class made up of former communist

apparatchiks, directors of socially owned companies and war profiteers” (Musić, 2013a: 23). Milošević’s government attempted to maintain a popular base by providing some kind of protection to the remaining workers and employees of the socially owned companies and the state during years of crisis and war. This attempt was to some extent successful (cf. Musić, 2013a: 20 f.).

When the demise of Yugoslavia was already firmly on the agenda, some highly respected left-wing politicians and intellectuals formed a left-wing, pro-Yugoslav Udruženie za jugoslovensku demokratsku inicijativu. It viewed radical democratisation as an essential element of any way out of the Yugoslav crisis and for the preservation of the Yugoslav state. It was, however, not able to gain a substantial social base. Nevertheless, a number of alternative political currents have emerged out of this initiative. They have focused their activities particularly on campaigning against the wars, nationalism and re-traditionalisation of society (Tomić and Kanzleiter, 2013: 331 f.).

4. Slovenia: From social protests to the formation of a leftist party

Among the post-Yugoslav states, conditions have been most favourable for the left in Slovenia. The military conflict was very brief in Slovenia and did not leave a traumatic heritage and devastated society as in Serbia, Croatia (and Bosnia and Herzegovina). The consolidation and subsequent growth of Slovenian industry implied that there continued to exist a substantial industrial working class. The trade unions mobilised successfully against the right-wing Demos government in the early 1990s which came to an early end in 1992. The subsequent centre-left governments were “forced to give workers some concessions in order to assure social peace” (Korsika and Mesec, 2014: 84). These concessions included a modification of the privatisation process and the establishment of a Socio-Economic Council in 1994. Thus, trade union power has been the major reason for the gradualist and neo-corporatist transformation in Slovenia until the early 2000’s. This has been quite exceptional in Eastern Europe (Korsika and Mesec, 2014: 84; cf. also Bohle and Greskovits, 2012: 184 ff.). In addition, a tradition of counter-culture of the 1980s survived in the 1990s. It gained an important institutional base in the complex of Metelkova (Babić, 2013). Beyond cultural activities, issues of peace, human rights, feminism have played a crucial role in this broad tendency. The Workers and Punks’ University (WPU), an alternative educational initiative with origins in this current, has taken up issues of political economy increasingly in the 2000s, particularly after student protests became active in WPU (N/A, 2013).

During the turn towards financialisation and more neo-liberal policies of the Janša government (2004-2008), the neo-corporatist arrangement was weakened (Bohle and Greskovits, 2012: 249 f.). Nevertheless, the trade unions were strong

enough to defeat some important policy initiatives of the Janša government, like the proposed introduction of a flat income tax. After the present crisis began, they mobilised again against the austerity policies of the government, particularly against a proposed pension reform. The peak year of this third phase of trade union mobilisation was 2011 (Korsika and Mesec, 2014: 85).

In the most recent phase of mass protests in Slovenia (2012/13), the trade unions, however, did not play a key role. It was rather a broad spectrum of the population which participated in this originally rather spontaneous protest cycle. The protests started in Maribor, the second largest Slovenian city which has suffered particularly hard from de-industrialisation. It was a rather banal decision of the city that triggered the first protests: the setting-up of a traffic control system through a private-public partnership. 93% of the penalties for speeding were supposed to accrue to the private partner of the private-public traffic control system. In Maribor, other local issues, like corruption, rapidly crept on the agenda. The protesters demanded the resignation of the mayor. The protests rapidly spread to other Slovenian cities and towns. Now, it was the national right-wing government of Janez Janša that was the target of the protests. Its anti-crisis package of harsh austerity, rapid privatisation and the establishment of a bad bank was deeply unpopular. Janša's aggressive rhetoric – like labelling the protesters “left-wing fascists” and “zombies” – added fuel to the protests. When the anti-corruption commission blamed Janša for corruption, his coalition fell apart (Korsika and Mesec, 2014: 80f.). A centre-left government replaced it.

The new government has so far pursued a similar line of austerity and bank privatisation (Becker, 2013). So far, protests have had a limited success. They made an unpopular right-wing coalition crack, but they have not brought about a major shift of policies. Korsika and Mesec (2014: 82 f.) point out that the analysis of a strong protest current was grossly inadequate, because it singled out corruption as a crucial pathology of Slovenia's political and economic system. This current argued primarily for a more virtuous version of capitalism. In contrast, a left current analyses the Slovenian crisis as a capitalist crisis and has highlighted key contradiction of the Slovenian economic model. This has, however, not been the only limitation of the protests. There have been organisational limitations as well. In an analysis which includes earlier protests as well, Krašovec (2013) argues that the lack of a genuine leftist party has limited the impact of social protests, even of the trade union campaigns which rested on more solid organisational foundations. It was to fill this vacuum that left-wing groups, particularly the Workers and Punks' University, established the *Iniciativa za demokratično socializem* (IDS) in the spring of 2013 (Korsika and Mesec, 2014: 83, 85 ff.). The founding of the initiative was a first step towards the formation of

a leftist party. The IDS is part of a broader network of educational and publishing initiatives.

In its programmatic statement with an orientation towards socialism, the IDS proposes an alternative anti-crisis policy that would strategically strengthen the public sector in Slovenia. Instead of privatising the banks, the crisis is to be used in order to give the still state owned banks a different strategic orientation. It argues that a bad bank could be used for restructuring the highly indebted companies under workers control (*Iniciativa za demokratično socializem*, 2013: 24 f.). Socialised banks and a public investment policy with a radically democratised institutional design are viewed as essential cornerstones for an industrial policy that reverses de-industrialisation (ibid: 28 f.). Inspired by Latin American examples (Ecuador, Argentina), IDS argues for a debt audit and puts several forms of (public) debt reductions into the debate (ibid: 38 ff.). In dealing with the EU constraints, IDS advances that Slovenia should jointly with other peripheral euro zone states strive for a changed approach to integration that would facilitate public investment, a fundamental reorientation of the banking sector and an alternative approach to public debt (ibid: 40 ff.). Thus, the strategic proposal of the IDS related very strongly to the present crisis. The proposals towards a different type of EU integration are in line with the thinking of major left wing parties in the EU like Syriza, die Linke or Bloco de Esquerda. Other left wing forces, however, question whether such an orientation rests on realistic assumptions. They doubt that the “strategic selectivity” (Jessop, 2002: 40) of the EU with its strong bias towards the executive branch of the state, the deeply rooted neo-liberal policy design (even more strongly developed for the euro zone) and the very uneven social mobilisation in the EU (which is due to uneven development) will permit alternative integration policies at the EU level respectively strong left-wing policies at the national level. This second view advocates an exit from the euro zone as an essential part of left wing strategies in the EU periphery (cf. Lapavitsas *et al.*, 2012; Becker, 2012).

5. Croatia and Serbia: Social mobilisation under difficult conditions

The conditions for the left have been very different - indeed much more difficult - in Croatia and Serbia. War and crisis produced increasing unemployment, informalisation and mass impoverishment (particularly in Serbia where the war lasted much longer) and social polarisation. Under war conditions, social contestation was extremely difficult. In Serbia, hyperinflation which peaked in late 1993/late 1994 led to enormous deterioration of living conditions. As Eric Gordy, a social scientist from the US pointed out: “Speaking with many Belgraders about their memories of 1992 and 1993, I found people more inclined

to mention lines for food, changing exchange rates and shortages than the wars in Croatia and Bosnia-Herzegovina. Both categories of events affected them, but the economic crisis was more likely to affect them personally.” (Gordy, 1999: 175 f.). Though the economic problems were the primary concern of many Serbians at that time, their overriding form - hyperinflation - was very difficult to fight collectively. Thus, individual survival strategies prevailed (cf. Becker, 2007: 248). One of the survival strategies has been resorting to self-subsistence agricultural production (Lazić and Cvejić, 2008: 114). In addition, hyperinflation led to a change of attitudes. It made anti-inflation policies popular, although they had other strongly negative effects (like increasing unemployment). This has made it much easier for ruling circles to legitimise neo-liberal policies – like those based on an overvalued exchange rate – by emphasising their anti-inflationary impact. In addition, it made people use foreign currencies (first DM, later the euro) as much as possible. Informal euroisation became more deeply ingrained. This has reduced the scope for alternative economic policies since maintaining the exchange rate became an overriding concern.

During the years of the Milošević government, the trade union movement was divided. The majority of blue collar workers stayed in the pro-government trade unions. This was not due to any general enthusiasm for the Milošević regime, but due to the government’s adoption of some protective policies that attenuated the impact of the crisis. For example, the government introduced forced leaves. During a period of forced leave, workers did not work, but retained a part of their salaries and the status of employee with some accompanying rights like access to free health care and to subsidised public transport. Some labour leaders kept a distance from the state structures. They felt endangered by the repressive political atmosphere and sought some type of alliance with the opposition structures which politically tended to be inclined towards neo-liberalism. For example, the trade union *Nezavisnost* in which some activists of the late 1980s and early 1990s became prominent moved in this direction. Its mode of operation increasingly resembled an NGO more than a trade union (Musić, 2013a: 20 f.).

Workers hardly participated in the various waves of anti-Milošević protests in the 1990s. These protests could count on the urban middle class and students, but not on workers. Many activists of the opposition were deeply hostile to workers viewing “the working class as a relic of communism” (Musić, 2013a: 24). It was only in the final protest wave in 2000 against rigged election results that workers participated in a crucial way (ibid: 24 f.).

Differently from the Milošević regime, the post-2000 governing parties with their neo-liberal agenda perceived no need to liaise in any way with trade unions. *Nezavisnost* was not really able to adapt to the changed circumstances. It lost parts of its external funding. Its demand for establishing a tripartite negotiation structure

among trade unions, business organisations and the state was met by the government. Tripartism, however, has not achieved a significant role in policy making (Musić, 2013a: 25 ff.). The present government whose main components are the right-wing SNS (Srpska napredna stranka) and SPS is giving labour legislation rather more of an anti-labour bias (cf. *Danas*, 2.8.2013). While making points by moving legally against one of the major *tajkuni*, the Dačić government announced a radicalisation of the austerity policies in late 2013 (Boarov, 2013). The radicalisation of austerity and of the neo-liberal directions of economic policies (including accelerated privatisations) have to be seen in the context of the starting of EU accession talks. In an interview with the German daily *Frankfurter Allgemeine Zeitung*, the Serbian Vice-Prime Minister, Aleksandar Vučić, identified statist attitudes in the Serbian population as one of the impediments to “reforms” and singled out existing mentalities as key obstacles to EU membership (Vučić, 2014: 6).

Though the unions are opposed to this thrust of the policies, they have hardly been able to organise substantial protests. In 2011, the largest public sector unions organised a protest against private-public partnership for municipal services (Musić, 2013b: 138 f.). However, the trade unions generally have not been able to challenge the privatisation policies and to initiate a discussion on possible alternatives (Kanzleiter, 2012: 122). In so far as there have been protests, they have been organised at the factory level and have been sparked by issues like unpaid wages or social security contributions (Đukić, 2012: 41). Union membership fell from about half to only a third of the labour force between 1998 and 2010 (Musić, 2013a: 27). “The worker is not represented in politics - there is no workers political party in Serbia’s real political life; there is no party that strives to articulate, aggregate and then to represent workers’ interests”, concludes Mihailović (2012: 7).

In Croatia, the situation of the trade unions has been similar to Serbia, though they have played a slightly more significant role. In 1990, the formerly socialist trade unions and independent trade unions formed *Savez samostalnih sindikata Hrvatske* (SSSH). The Tuđman government strived to control the trade unions. This led to trade union splits. In the early war period, the three trade union federations signed a pact with the government on cooperation in the war period. However, SSSH published a document demanding higher wages, workers’ shares in case of privatisation, better protection of trade unions etc. In 1992, 325,000 people signed this letter. It was ill-received by the government. In 1993, SSSH called a 4-hour strike that was supported by another federation and was relatively widely adhered to. In 1994, the government finally agreed to the formation of a tripartite structure, but did not follow it up with rapid implementation. In 1996, there was a major strike at the railways. And in 1998, the trade unions tried to

organise a large demonstration in Zagreb, but were met with massive police repression. In the early 2000s, there was a relatively higher degree of unionisation of workers in Croatia than in Serbia (Lazić and Cvejić, 2008: 122, 125). Union membership has steadily declined, and, since the late 1990s, the trade unions have primarily resorted to institutions of social dialogue (Lončar, 2013: 175 ff.). One of the trade union actions has been the collection of 750,000 signatures against the anti-labour legislation which made the government withdraw the bill (Martinov, 2012: 114). However, amendments of labour legislation to the detriment of workers' interests have remained on the agenda. On 25 February 2014, the Croatian trade unions organised a nation-wide two-hour strike against the so-called flexibilisation of labour legislation and more generally against the economic policies of the social-liberal government. In Croatia, there is at least a small left-wing orientated, parliamentary party - Hrvatski laburisti - Stranka rada - which takes a pro-labour stand and has a critical position on privatisations (Hrvatski laburisti - Stranka rada n/d).

Due to the limitations of the trade unions, both Serbian and Croatian workers resorted to forms of self-organisation in cases where the existence of the factory or firm was threatened – usually by dubious privatisation (cf. Bailović *et al.*, 2011; Kanzleiter, 2012: 120 ff.; Lončar, 2013: 178 ff.; Markuš, 2013; Musić, 2013a: 42 ff.; Musić, 2013b; Pokret za slobodu, 2013). Such action has usually involved workers in firms that date from the Yugoslav era and have been run down for many years of the last two decades. In Serbia, their number has increased significantly as a consequence of the crisis, for example 50 industrial actions involving 32,000 workers in the summer of 2009 (Musić, 2013a: 42). They have a clearly defensive and reactive character. The repertoire of action of the workers in defence of their workplace has been broad, at times desperate. In some cases, workers tried to take over the factory. The case of Serbian Jugoremedija in Zrenjanin has been probably the best known of these cases. It is not a coincidence that Jugoremedia is a factory in a relatively small town, not in one of the big urban centres. Many of the workers' militant defence actions have taken place in rather smaller towns (cf. Markuš, 2013). These industrial actions have generally had a local character though in a few cases they have won nation-wide attention or even beyond the national borders. In Serbia, Pokret za slobodu initiated a Coordination Committee of Workers' Protests in order to connect the different local workers' initiatives. It aims to embrace peasant activists as well (Srećković, 2013). These initiatives have at least put the issue of the old industry which is usually primarily geared towards the domestic market on the agenda. In a few cases, the Serbian government nationalised factories. However, they are not part of the economic strategy of the Serbian governments that relies exclusively on FDI. For any

alternative strategy, an industrial policy for the inward-looking industries would be crucial.

In Croatia, the foreign exchange credits, particularly credits in Swiss francs which were massively appreciated, have been a key feature of the crisis. These debtors organised themselves to some extent. And they contested the content of the foreign exchange clauses of the credits in the courts. In July 2013, they scored a success in a first instance judgement (Mvoš Pavić, 2013).

The emergence of other social movements and left-wing organisations has been less directly linked to the crisis. Both in Croatia and in Serbia, there were student protests against university fees, the commercialisation of higher education and the Bologna process (cf. Kanzleiter, 2012: 117 ff.; Ćurković, 2013; Puškarević and Atanacković, 2013: 352 ff.). Between 2008 and 2010, Croatian students organised strong protests. The movement was not strong enough to achieve free university education, but it gained massive presence in the media and it has had a continuation outside the universities. The students deliberately sought to establish links to other protest movements, like those of workers and peasants. To some extent, they were successful in this. Out of the Croatian student movement, a nucleus of a new left has emerged. This left campaigned actively and visibly first against joining NATO (Kanzleiter, 2012: 117 f.), later against joining the EU. In the run-up to the referendum on EU membership, left-wing activists and intellectuals formulated a left-wing critique on the EU highlighting issues like de-democratisation through the EU, neo-mercantilist tendencies, the EU cult of competitiveness and the increasing EU pressures on the welfare state (e.g. Ćurković, 2012). The direct negative consequences of EU demands for privatising the Croatian shipyards as the only remaining technologically advanced industry in the country have been severely criticised by Croatian leftists as well (Mihaljević, 2013: 72). The emergence of the left-wing movement has found an expression in the foundation of a “Subversive Festival” in 2008. This festival has brought together the South East European left which is in the making. In 2012, a “Balkan Forum” convened for the first time since the beginning of the wars in 1991, with left-wing activists of different currents from successor states of Yugoslavia, Albania, Romania and Bulgaria (Kanzleiter, 2012: 119). In spite of these considerable advances, Kanzleiter (2012: 119) concludes, “the new left is still in the phase of constituting itself.” Faced with more adverse social and political conditions, left-wing organisations in Serbia tend to be smaller and have gained less media space than in Croatia. Anti-nationalist and feminist groups belong to the most active and visible groups - and face massive hostility from conservative circles (Puškarević and Atanacković, 2013).

Left-wing groups and movements of the Yugoslav successor states have forged links with each other - thus overcoming national dividing lines. This has,

however, usually not (yet) resulted in joint action. The focus of activity is still the respective nation-state (Tomić and Kanzleiter, 2013: 338 f.).

In Croatia and Serbia, left wing forces have at best begun a process of creating and consolidating own structures and have begun to gain visibility. They have not (yet) mustered sufficient forces to modify state policies.

6. Conclusions

The formation of left alternative is still rather in the beginning in Slovenia, Croatia and Serbia. Conditions for the left have been a bit more favourable in Slovenia than in Croatia and Serbia. The war was much shorter and less traumatic in Slovenia. The economic heritage of state socialism was stronger in Slovenia. The trade unions were able to establish themselves as a rather strong social force in the early years of transformation and were able to influence the shape of the transformation process significantly. The Slovenian social compromise of the 1990s resulted in a less socially polarising socio-economic trajectory than in other countries of Eastern Europe. Though this compromise was weakened during the phase of strong financialisation (2004-08) and the present crisis, trade unions have still been able to mobilise and counteract neo-liberal policies. Out of the field of progressive social and cultural initiatives, a more clearly defined leftist current has emerged in the wake of social protests of 2012/2013. This current has identified the lack of a leftist party as a limitation of social protests and created an *Iniciativa za demokratično socializem* which is evolving into a leftist party.

Wars and transformation have been much more destructive in Croatia and, particularly, in Serbia. Left-wing forces have to contend with a much higher degree of socio-economic heterogeneity. This heterogeneity has left a deep imprint on workers' organisations. The trade unions have been weakened by informalisation and high unemployment. They tend to be strongest in the public sector where the employees are still relatively well protected. Their presence in multinational factories is already significantly lower. Workers in small firms face the harshest conditions. Workers in the medium-sized companies which are oriented towards the domestic market and have suffered from long-term neglect and, at times, are awaiting privatisation are a category of their own. At times, they have worked a long time in the factory and their main challenge is less a high degree of exploitation than the closing down of the factories (cf. Musić, 2013b: 108 f.). It has been from these ranks that the most militant and, often, most desperate workers' action has originated. It has usually been of defensive nature. In both Croatia and Serbia, left activists have forged links with this part of the labour movement. In Croatia, a nucleus of a new left has emerged from the student movement. This left has gained significant visibility. Left-wing parties are absent.

Thus, the forces which strive for a real alternative to the present socio-economic model are still in the process of formation. This process seems to be most advanced in Slovenia. However, a Slovenian left would face the strongest political constraints by the EU because of Slovenia's EU membership. The IDS strives for a fundamental change of the EU integration project. However, the ordoliberal orientation of the integration project has been further strengthened by the dominant forces in the EU. The institutional structure of the EU and the uneven social mobilisation make a fundamental change of EU directions an extremely unlikely undertaking. Left intellectuals - activists in Croatia (and Serbia) take a more reserved position towards the EU. They tend to accentuate the cooperation in the South-East European periphery very strongly.

The left wing intellectuals - activists from Slovenia, Croatia and Serbia have developed their own critique of the capitalist transformation process and the asymmetrical integration into the EU. They have provided scathing critiques of the financialisation and de-industrialisation processes (cf. e.g. Veselinović *et al.* 2012). They argue for the strengthening of the public/social sector, a fundamental change of the banking system and industrial policies. Though their proposals share many basic features, their concrete outlook differs according to the different socio-economic and political contexts. However, first steps on a long and arduous way have been taken.

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Özet

Slovenya, Hırvatistan ve Sırbistan: Gelişme modelleri, krizler, sosyal protestolar ve alternatifler meselesi

Bu makalede yazar eski Yugoslavya toprakları üzerinde kurulan Slovenya, Hırvatistan ve Sırbistan'da alternatif kalkınma-gelişme alanını analiz etmektedir. Yazar günümüzde yaşanan krizin potansiyel alternatif gelişme-kalkınma alanı sunduğunu ileri sürmektedir. Makalede öncelikle kriz öncesi izlenen gelişme-kalkınma modellerinin krize yol açtığı belirtilmektedir. Kriz karşısında oluşan siyasi tepkilerin sosyo-ekonomik yapılar tarafından biçimlendirildiği, uluslararası ekonomi ile ilişki içinde, buna uygun siyasi aktörler tarafından ifadelendirildiği belirtilmektedir. Makalede kriz karşıtı politikaların üç hükümet tarafından nasıl ele alındığı, sosyal protesto hareketleri ve bunların alternatif ekonomik ve kalkınma önerileri karşılaştırmalı olarak irdelenmektedir.

Anahtar kelimeler: Slovenya, Hırvatistan, Sırbistan, iktisadi gelişme, kriz, sosyal protestolar.