Book review

‘Die Arbeiter sind im Sozialismus eingeschlafen…’ – Eigentum und Arbeit zwischen Sozialismus und Kapitalismus in Serbien

Kathrin Jurkat (2023) ‘Die Arbeiter sind im Sozialismus eingeschlafen…’ – Eigentum und Arbeit zwischen Sozialismus und Kapitalismus in Serbien Wiesbaden: Harrassowitz Verlag (Price: 58 euros). ISBN 978-3-447-12006-7

The dissertation by Kathrin Jurkat, now formally published as a book, examines the postsocialist transition of socialised relations regarding property within *Mlekoprodukt* and *Jugoremedija*, two factories in Zrenjanin, Serbia.

Jurkat claims that not just legal property rights were changed, but also that the relationship between workers was adjusted to the political changes taking place outside the factories. Coming from a Marxist tradition, Jurkat conceives property as the fabric of social relations and traces the changes in the latter from late socialism during the 1980s, to the transition period under Milošević during the 1990s, and thence to post-socialism since 2000. Over five years, she has interviewed numerous blue and white collar workers in both factories and incorporates vast amounts of archival and academic material to craft a powerful oral history of the transition from socialism to capitalism from a working-class perspective.

As a result, Jurkat has published one of the first case studies in an emerging literature on labour relations in Yugoslavia and thereafter which compares the late-socialist with the post-socialist experience regarding changing property relations with regard to the means of production. Most of this literature focuses on one of these periods and lacks the comparative insights that Jurkat delivers (e.g. Musić 2021). This comparative approach uncovers the surprising persistence of social relations and practices throughout the 1990s, despite the first wave of privatisation. Here, the study is consistent with similar findings regarding the state-corporation relationship in Poland and Croatia, which detects the EU membership of both states to have formed the crucial break with socialist practices (Brunnbauer et al. 2022). Although Serbia has never joined the EU, the neoliberal turn after Milošević’s resignation imposed a similar discontinuity on social relations within the firm.

Jurkat tells a powerful story of a Polanyi-type of transformation in miniature. Despite the market elements of labour-managed socialism, the existence of socialised property ensured that economic relations were embedded in a fabric of social relations within and outside the factory that guaranteed every worker a decent living standard and social recognition. It was not the replacement of socialised with private property in the hands of smallholders that transformed relations within the factory, but the ‘enclosing’ of the common means of production by external private investors. By contrasting one successful and one corrupt privatisation, Jurkat is able to demonstrate that privatisation can be implemented in two different ways: either the new owners respect the established forms of social relations and preserve the habitat of

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workers; or they push for the commodification of labour and risk massive worker resistance. Between the lines, Jurkat delivers a sharp critique of neoliberal shock therapy in eastern Europe, identifying that radical breaks with socialist practices might backfire and improve neither economic performance nor the living standards of workers.

Mlekoprodukt was founded in 1946 and is a dairy which processes milk from local farmers and its own agricultural cooperative. Despite the loss of outlets in the dissolving Yugoslavia, it succeeded in maintaining production and was later absorbed into the international corporation Bongrain. Today, Mlekoprodukt serves as an example of a successful privatisation which still employs 320 workers.

In contrast, Jugoremedija became a synonym for a rigged privatisation. Founded as a pharmaceutical joint venture with the German Hoechst AG in 1964, it expanded its output steadily while managing to retain its market position after the break-up of Yugoslavia. Although a pharmaceutical company from Slovenia was seriously interested in the acquisition of Jugoremedija, a small firm owned by a convicted criminal managed to win over 40% of the factory. The smallholders and workers of Jugoremedija took the rigged privatisation to court, winning the cancellation of the acquisition. Nonetheless, the firm went bankrupt a few years later.

In the first part of the dissertation, Jurkat delves into workers' relations with the factory, its director and the trade unions. During labour-managed socialism, social ownership granted workers power over strategic decisions within the factory. Even though the reality of self-management never lived up to the ideal, the director was forced to navigate between managing the firm successfully, keeping the Communist Party onside and appreciating workers and their work. Although workers were critical of their lack of actual influence on factory policies, they respected the director and related fond memories of decent living standards and the spirit of collectivism which formed a bond between the workers. The economic success of both firms and workers' personal sense of closeness to the director generated a collective sentiment of belonging. This dissolution of boundaries between the private and the public sphere characterised all socialist firms. Vacations, sport, cultural and social events were organised and subsidised by the firm or the trade unions, creating the factory as a social space in which workers felt seen as humans among equals. The workers (and the director) established an emotional and caring relationship for 'their' factory, sacrificing pay cheques and spare time in order to keep the factory going.

Both factories were partly privatised during the first wave of privatisation in the 1990s and, consequentially, both ended up being owned by multiple smallholders who were either active or retired workers from the factories but, increasingly, people from outside. The new worker-shareholders perceived their position as legitimate because of the sacrifices they had made in building up the factory. However, substantial shares in the firms remained social property. Interestingly, workers did not recognise any differences between late socialism and the transition period, despite the change in property rights, the Yugoslav wars and a massive decline in living standards. Workers had already, during the 1980s, felt deprived of their say in the management of the factory, while the dismantling of workers' councils, as well as the strengthening of the director's position, only manifested the hierarchies which were

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beginning to emerge under socialism. However, workers and directors remembered their collaboration under labour-managed socialism as trustful and supportive, with many social practices continuing after the first wave of privatisation in which none of the shareholders felt the need to activate their property rights.

As workers recounted, this changed after 2000 and the second wave of privatisation, an issue which Jurkat elaborates in the second part of her dissertation. The remaining shares in social ownership were nationalised and then sold to private investors. In the case of Mlekoprodukt, even minority shareholders decided to sell their shares to the majority owner, with workers then recalling their social demotion and alienation from management and their co-workers. Meanwhile, the workers and shareholders of Jugoremedija were forced to activate their property rights and fight for their factory since they faced a rigged takeover by a criminal investor. The workers learned their rights as shareholders the hard way and, although they won their case, it turned out to be Pyrrhic: the workers ended up fragmented, employed by a firm burdened with debts and new regulations, at a time when the market was still depressed as a result of the extended financial and economic crash. Eventually, Jugoremedija went bankrupt and the victorious workers lost their jobs, their shares, their factory – everything, in fact, but their dignity.

One major strength of Jurkat's work is the diverse range of interviews with all the relevant agents across both factories. Carrying out field research over several years and establishing a trustful relationship with interview partners requires plenty of time and the necessary skills to navigate the changing social relations and conflicts. While letting the workers speak frankly, Jurkat always hastens to put their sometimes very moving accounts into context. Not all firms had been as successful as Jugoremedija and Mlekoprodukt; thus not all workers enjoyed the same living standards as those she interviews. The positive references to labour-managed socialism and the transition period during the 1990s might, therefore, not be representative of all self-managed firms. Jurkat nevertheless provides a clear and convincing presentation and interpretation of her empirical evidence and shows how persistent was the socialist norm that labour (and not the legal ownership) embodied the legitimisation of power and influence within the firm.

Almost by chance, the findings speak to another body of literature not mentioned in the book. Jurkat describes in detail the strong relationship between workers and the factory, how they cared for maintaining production, the responsibility they felt regarding product quality and customers, and what they sacrificed for the survival of their factory and their jobs. All of this rejects the neoclassical models of labour-managed enterprises which assume workers to be income maximising (Ward 1958; Vanek 1969) with the absence of financial stakes in the firm leading workers to focus on short-term gains (Furubotn and Pejovich 1970a; 1970b; 1972). None of these assumptions matches the oral accounts of either the directors or the workers. These models were already challenged at the time (e.g. Prašnikar 1983; Prašnikar et al. 1994), but they shaped economic policy in Yugoslavia throughout the transition period.

Based on comprehensive field research and archival work, Jurkat draws a dense panorama of changing labour and ownership relations during the transition from

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labour-managed socialism to capitalism. It forms a remarkable contribution to our understanding of how workers debate their social position in the post-socialist firm. Moreover, Jurkat's well-written dissertation turns out to be an academic page turner which is well worth an English translation; the book deserves the broadest-possible audience.

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