REMEMBERING WORK: 
THE ‘ČAJAVEC’ COMPANY WORKERS AFTER PRIVATISATION

Summary

The working class was, at least formally, a formative basis of the former Socialist Federative Republic of Yugoslavia (SFRY). The transformation of the system from the Communist to the capitalistic one led to its alienation, poverty, and social exclusion. This transformation, as part of the neoliberal globalisation, occurred through the introduction of the so-called 'shock therapy' measures: liberalisation, privatisation, and stabilisation. Large industrial complexes and leading state-owned companies in the SFRY were the subject of, often dubious, privatisation processes. Through such processes, workers, who were once owners and motors of companies they worked at, are now stripped of the ownership and the opportunity to work at the same companies. The majority of research on post-Communist economic transformation focuses on changes to the system, on economic aspects of privatisation processes, and on introduction of market economy. Yet, there are few research focusing on the privatisation and transformation from a workers’ perspective. This paper attempts to fill in this gap by providing a different angle to the current studies of transformation of the SFRY and its successor states. Through interviews with former workers of privatised and/or closed factories and industrial complexes (using the local company of ‘Rudi Čajavec’ as an example), the research presented in this paper analyses workers’ attitudes and sentiments towards the labour in the Communist Yugoslavia and the labour today, as well as towards the privatisation processes accompanying the latter. The research gives a voice to the workers, and, by looking at the past, gives a worker-centred approach to imagining labour in the future.
INTRODUCTION

The transformation from socialist self-management into an open market economy was characterised by several key turns in the internal socio-economic arrangement of SFRY, but also largely affected by a global economic and financial crises, as well as a push from different international factors. In her seminal work, Susan Woodward (1995) gave a detailed account of transformation of the socio-economic system in the former Socialist Federative Republic of Yugoslavia (SFRY) in the period of 1945-1990. One of the crucial moments of this transformation since the end of 1970s – to the beginning of the 1980s, as well as during and after the SFRY break-up are “reforms insisted on by the International Monetary Fund (IMF), i.e., the so called Sachs (Jeffrey Sachs) reforms relying on three postulates: liberalisation, stabilisation and privatisation” (Pepić, 2018: 125). Financialisation and the complete opening of the SFRY market began in the 1970s through various processes within the country’s economic structures and operations. After the war and break-up of the SFRY, these processes continued within the newly formed states through different programmes of reconstruction and recovery, and later on within the European integration processes. Three basic dimensions through which the financialisation is enrooted in the former Yugoslav countries are: a fixed system of exchange rates, financial liberalisation and privatisation (Živković, 2015: 52-57).

Privatisation of what were mostly socially (and state) owned companies in the SFRY countries began in 1989 with the Law on Socially Owned Capital (Official Gazette SFRY 84/89 and 46/90), often referred to as the Marković law. The entire process of privatisation was conducted in several stages and is still an unfinished business, particularly in Bosnia and Herzegovina (BiH). We can identify four main stages of the process in BiH: 1) The Marković privatisation based on the 1989 Law on Socially Owned Capital; 2) privatisation during the 1992-1995 war (transformation of until then, socially owned property into state property) enabling ethno-national elites then at power to govern and later privatise the companies; 3) privatisation mediated and supported by the international actors in 1997 (so called voucher privatisation); and 4) privatisation of the remaining state-owned companies including additional demands for further privatisation of strategic enterprises (Majstorović et al, 2015; Pepić, 2018). By 2020, a total of 727 enterprises were privatised in Republika Srpska (Investiciono-razvojna banka Republike Srpske, 2020) and 1088 in the Federation of BiH (Agencija za privatizaciju FBiH, 2020). However, there is no accurate or official statistical data regarding the number of privatised enterprises who remained active and the number of workers who kept their employment status.

Privatisation processes in the former SFRY countries enabled ethnonational elites and war profiteers to take ownership over former socially owned property (predominantly large industrial complexes and factories) through the ethnicisation process and transformation from socially owned to public/state owned ones (Majstorović et al, 2015). The ethno-national elites establishment and coming to power during and after the SFRY break up is characterised by two processes: 1) collapse of socialism during which members of the former ruling class (nomenklatura) “promoted themselves as part of the political elite” and 2) the transformation period in which, among others, members of middle and lower layers of “nomenklatura” managed without any significant difficulties
to convert their political, social and cultural capital, thus becoming part of a new political and economic elite (Lazić, 1998: 63). Particularly this part of “nomenklatura” presented itself as the protector of individual, (ethno)-national interests versus class interests in the dawn of the SFRY break up and in that way ensured its political domination and economic power through the transformation of property for thus far socially owned enterprises (Lazić, 1996).

In BiH, with its complex ethnonational structure, this process is further aggravated. As Mujkić (2019) claims: “the institutions have been appropriated by ethnonational, first, at the national war-won territories and then, later, at the state level, appropriated by the ethnocratic procedures assuring ‘positions of power’ for ministers, deputy ministers, representatives, deputies and company directors” (p. 45). Political and economic elites are merged, dominant political parties in BiH are ethno-political in essence, and their actions through shaping the privatisation processes, the passing of privatisation laws and practices, as well as the “distribution of power positions and decision making in public and political institutions and enterprises” are in service of “ethno-capitalism” (Mujkić, 2019: 57).

The privatisation and transformation processes, additionally supported by ethno-nationalism and ethno-capitalism in BiH, resulted in negative economic consequences such as a rapid deindustrialisation, the tearing of industrial giants into small parts, a large number of bankrupt or liquidated companies. These processes also left negative social consequences such as increased unemployment (due to the closing of factories and mass layoffs), as well as a further impoverishment of workers who were left without any remuneration or severance payments after their companies were privatised and/or bankrupted (Majstorović et al, 2015). A similar situation happened in other former SFRY countries. For example, in Serbia buyers of privatised companies reduced the number of employees and “after the period guaranteed by purchase agreement, they would continue with further layoffs of workers” (Novaković, 2017: 125). Workers, who were once the (self-) managers of the companies they worked at, were now left without ownership, thus losing not just the material basis for further work and life, but also without the basis for collective (self-) identification, i.e., a sense of belonging to the working class (Majstorović et al, 2015; Kurtović, 2015).

Most of the research on post-socialist transformation in former SFRY countries, and particularly in BiH, focuses on changes of the system, as well as economic aspects of the privatisation processes and the introduction of an open market economy. Research studies that focus on the processes of privatisation and transformation in post-socialist/post-communist countries as seen by the workers themselves are scarce (see Cvek et al, 2020; Arsenijević, 2014; Calori and Jurkat, 2017; Wawrzyniak, 2020). Therefore, in this paper we are filling in that gap and adding to the current studies by providing the workers of now privatised and/or closed factories and industrial complexes an angle on the transformation processes and their outcomes.

**METHODS**

The focus of this paper is on the privatisation of the former industrial giant - Rudi Čajavec, Banja Luka, BiH (Čajavec, in the following) - as interpreted and seen by former workers of this complex. We analyse the attitudes and feelings of Čajavec workers toward the work in SFRY and today, as well as toward privatisation and its outcomes. We want to
investigate how former workers of Čajavec describe and characterise the privatisation processes. Furthermore, we are interested in finding out about the main struggles (if any) of Čajavec workers during the privatisation processes and about the outcomes of those struggles.

In order to find the answers to these questions, we have conducted a discourse analysis on privatisation and workers’ struggles presented through the interviewed workers’ statements. We have also analysed patterns within this particular case (Yin, 2003). The results presented in this paper are based on collected interviews with 15 former workers of Čajavec. The majority of interviewees were male, retired and were (active) members of the trade union. The interviews were conducted from February - September 2020, in Banja Luka, face to face (except one which was conducted via phone)

**BETWEEN NOSTALGIA, DISPOSSESSION AND REGRET FOR MISSED ALTERNATIVES**

Čajavec employed around 10 000 workers in different organisational units (enterprises) before the SFRY break up. After the 1992-1995 conflict in BiH, along with the transformation processes, Čajavec and its enterprises underwent the long process of privatisation. Now almost all of the enterprises that were part of the Čajavec complex are either liquidated, undergoing bankruptcy procedure or are completely privatised.

Čajavec workers’ feelings towards the privatisation processes are ambivalent. They range from nostalgia towards the work in SFRY (organisation of work and workers’ solidarity) to regret for missed alternatives, i.e., arguing that the privatisation could have been done in a more worker-centric manner. This feeling of nostalgia for industrial labour is a common characteristic in workers’ memories across the post-socialist / post-communist space (see Petrović, 2017; Wawrzyniak, 2020; Kalb, 2011). At the same time, the interviewed workers see the privatisation processes as a criminal act against the interest of the workers and their wellbeing, as a theft of ownership. A former active member of the trade union, now retired, speaks of privatisation:

> If you’re asking me, it’s a crime. It’s a crime. And the consequences are really huge. I mean for the (living) standard, psyche, family, I don’t know what to tell you. People got sick as well. Many of our workers have... I don’t know, from this poverty, lack of work... (Interviewee 9_Čajavec)

Similarly, a former manager of one of the enterprises of Čajavec shares the opinion saying:

> To be honest, I see it as some criminal act. Someone should be held responsible for this in the end. You can attribute it to us who worked there, but we haven’t had the chance to save it. (Interviewee 7_Čajavec)

Privatisation is seen by former Čajavec workers as influenced by different actors, starting from political elites who took advantage of their power position to take over the ownership of the factory in order to sell it under the dubious circumstances for a low price. The main argument being that the political (and economic) elites used the transformation processes in order to sell the Čajavec factories/enterprises at a low price even though they were positioned at the very centre of the city (i.e., the location of the factories was a prime location in the city):

> It seems that those interest groups, now when all that is over, for some
cheap, small money, and personal interest destroyed our system of security as workers, you understand. The security was that there was some salary, you knew approximately how high, and if you worked two-three, one Saturday overtime a little bit harder.... And for this small amount of money, particularly at the beginning of the privatisation, they sold it for nothing to some suspicious faces something like twenty, fifty thousands, and afterwards rising to one hundred and fifty - two thousands, and then they thought they would have some large advantage, and at the end we had a huge damage for which I am not convinced anyone was held accountable for selling it in someone else’s name... (Interviewee 4_Čajavec)

A similar view is shared by another former worker of Čajavec (Interviewee 1_Čajavec), claiming that most of the Čajavec privatisation was done by suspicious persons who bought the most part of it just to get hold of the land and the attractive location in the city centre without caring what will happen with the production, factories and workers. However, he regrets the missed opportunity of relocating the production lines to the outskirts of the city and maintaining the industry alive and the workers employed. The main blame for such a conduct and results of the privatisation process according to him are careless buyers and political actors:

All this land became attractive. And everyone seeks to take the most out of it. (...) There was some logical thinking, such as why would we keep the factory in the centre of Banja Luka when I can have it in Ramići or Verići and sell this part here (at the centre) at a very high price. But unfortunately this first thing prevailed “let’s buy it and then sell it and have our interest in it. What will happen with the development of the economy, with workers... well, let the state take care of that”. And now, of course politics had an impact. Nothing is possible without politics. Someone let it happen... (...) And no revision of privatisation has ever resulted in anything. (Interviewee 1_Čajavec)

The interviewed workers had an affirmative opinion regarding privatisation as a general concept. Čajavec workers see privatisation as a necessary process in line with the transformation of the economy and the political system. However, their feelings toward how the process was conducted in general and also specifically for Čajavec are negative. Čajavec workers felt betrayed and robbed in this process by the state/government, politicians, their managing directors and new owners/buyers of Čajavec enterprises and capital. Although in their statements, Čajavec workers expressed the opinion that they had no impact on the privatisation, they provided their own views on how this process should have been organised and how it should have turned out for the benefit of the workers, economy and society as a whole.

I have to say that the state took away factories from workers. We who worked at factories, we were developing factories and systems, taking loans and paying them off from the revenues we collected. We sacrificed the higher salaries to pay loan annuities, and the workers were aware of that. Privatisation should have been done only on the basis of past service. That all those who are employed would be the owners. One hundred percent owners. People who worked at the factories and who were at the factories at that
moment. It should have been like that, that all those who were in factories to be co-owners of those factories. But this privatisation was de facto over and it has been taken away, the state took away factories from workers. De facto, the privatisation should have been conducted in a very simple manner. To have the factories remaining under the workers’ ownership and not... (Interviewee 2_Čajavec)

Feelings of regret for not having their voices heard in the privatisation process prevails with most of the Čajavec workers who were active trade union members. In general, all interviewed workers considered that workers both individually or collectively had no power to change anything, to impact the process at all despite trying. Even the role of the Čajavec trade unions (as there were multiple trade unions within Čajavec, mostly each representing a particular enterprise and its workers) was considered as minimised due to various factors, including the bribing of union leaders or threats received by political and economic actors involved in the privatisation of Čajavec. One of the active trade union members recollects:

Our idea was really novel and we practically wanted to turn that privatisation to be the governors of our enterprises, not to let the scum buy it and turn it into, I don’t know, warehouses and alike. (...) Anyhow, later, you know how it... at the beginning the union is powerful and doesn’t allow it... but then it gets eaten bit by bit, you know. And then you have a situation that they, the employers, already see who are the key people and they try to buy you off. You understand? But since no one could buy me off, they started threatening me. (Interviewee 3_Čajavec)

The interviewed Čajavec workers expressed nostalgic feelings toward the (industrial) work in SFRY. Their accounts follow the “good times-bad times” dichotomy when referring to the period of working and living in socialism and the period of working and living in the post-socialist, transformation period. Remembering what it meant to be a part of the “Čajavec family”, on a symbolic level, but also comparing the experiences with the transformation and privatisation period. Interviewee 9_Čajavec says:

When we, on the 25th or when we received our salary, when the workers went out, all of Banja Luka felt it. Čajavec fed 50 thousands Banja Luka workers. Not to mention the other (enterprises). I mean we lived... I have three sisters, my father worked, my mother didn’t, and six of us lived from the Čajavec salary. We were not hungry, nor thirsty, nor naked, nor barefoot. And the house was always full of food and winter foods and all. And we, we haven’t had enough to provide our children with water. I mean, I don’t know what to tell you. (...) And we were top. We had the best toolroom in the world. You could make any tools you can imagine. Here, machines, presses, foundry, all of that could have worked today. Here, where this service is, there was a foundry. You could cast. And that micro-cast they stole, 50 trucks, you were told about that, right? Then they couldn’t export it so they hid a tow truck somewhere in Trn or whatever, and now it works in Croatia somewhere...

The mentioned good times-bad times dichotomy is most visible in the workers’ statements relating to the worker’s status and the
labour rights workers enjoyed in socialism compared to the post-socialist period. Reflecting on these two periods, from the perspective of ensuring the basic labour rights, the former manager of one of the Čajavec enterprises (Interviewee 7_Čajavec) in the socialist period says that a Čajavec worker enjoyed all the rights in the period before the war. He recollects two events triggered by the same issue - delay or no salary payment for the workers. In the first event occurring in the socialist era, the mechanical production line workers shut down their machines because the usually regular salary payment was delayed. In this way, the workers used their power to protest and seek fulfilment of their rights. In the second event occurring in the post-socialist period, after the war, workers would be in a situation of not receiving their salary for months and none would even protest or ask the question as to why there was no salary. As he described ‘one morning, as they enter the factory, one of the workers in the toolroom says when they start charging us the entrance (to the factory) we will still go, borrowing money to go to work’ (Interviewee 7_Čajavec).

Even though aware of the changes and the transformation that occurred, the consequences of which resulted in a poor (or almost null) realisation of their labour rights, the Čajavec workers persistently sought their right to work, even if it meant “working with no money”. For them, to work in the (Čajavec) factories meant to be recognised as still an important actor in society, to still be those who have built up the factory with their hands, their work, those who were the river of life in Banja Luka:

It employed 10 000 people. On my first day, my first employment, in December ’79, I went from Borik to work, and the river of people... then I thought ‘my god, will I do this for the next forty years?’.

The river of people flows... (Interviewee 6_Čajavec)

DISCUSSION AND CONCLUSION

The main intention of this paper was to give a voice to the workers who experienced the traumatic period of post-socialist transformation through the process of privatisation of the industrial complex they worked at. This paper was not designed to describe the general process of privatisation, nor to give a detailed account of the specific industrial complex of privatisation and destruction. The aim was to give an account of the work in socialist and post-socialist times, the privatisation process and its consequences as experienced and recollected by the workers themselves. For that purpose, we selected and conducted interviews with former workers of a large industrial complex (often referred to as one of the industrial giants of BiH), Čajavec, who in its socialist era employed around 10 000 workers.

Similar to other, already mentioned, research studies who dealt with of workers’ memories in the post-socialist / post-communist world on (industrial) labour, the Čajavec workers’ accounts are filled with nostalgia for the lost socialist world of fulfilled labour rights, living standard and sense of belonging to the cohort of builders of the economy and society. Čajavec workers also show ambivalent feelings toward the privatisation processes. On the one side, they believe that the privatisation, as part of the socio-economic transformation of the BiH/former SFRY space, was necessary and do not see it as a negative phenomenon per se. On the other, they feel robbed due to the fact that they were no longer owners of their factories/enterprises. In their views, the privatisation should
have been done in a different manner, i.e. they experience nostalgia for the missed alternatives (Wawrzyniak, 2020), with more sensitivity toward the workers and their rights, and leaving more ownership rights in the hands of the workers themselves.

The general discourse in Čajavec workers’ statements is the discourse of dispossession and the lack of (or even absence) of agency or any power to impact the privatisation process and its outcomes. It seems that, as the transformation of the system meant the shift from having the workers as the central figure in the social, political and economic order of the country toward the open market and capital, the same shift occurred in the workers themselves as they no longer saw themselves as powerful enough to play the role in a new, capitalist, order. This discourse is visible in individual and collective actions (or at least thoughts on such actions) as the Čajavec workers not only claimed that they as individuals had no power but also that their collective representation, the trade unions, had no power in the process. This stripping of power came through various means and tactics of pacification exercised by different power structures (employers/new owners, top management, political and other) such as the bribing of union representatives by the different power structures, or the use of intimidation and threats, etc.

The former workers of the Čajavec industrial complex perceive the privatisation process as a theft of socially owned property, which had a negative impact on workers’ labour and lives. Čajavec no longer exists, but the memories of its workers on what it once was and what it meant to be part of this industrial family live to tell the story about the scars the transformation of the once socialist society to capitalism left. Further explorations of lived experiences of transformation, its consequences and memories of the realities of socialism are necessary to better understand the present. The Čajavec workers’ voices and memories should be further supported and/or confronted with the vast amount of historiographic material, media reporting and other factories’ workers recollections of the pre-transformation and the transformation period in order to obtain a comprehensive understanding of the phenomenon.

REFERENCES


SJEĆANJA NA RAD: 
RADNICI “ČAJAVECA” NAKON PRIVATIZACIJE

Ključne riječi:
post-socijalistička transformacija; privatizacija; radnici; Čajavec.

Rezime
Radnička klasa je, barem formalno, bila formativna baza bivše Socijalističke Federativne Republike Jugoslavije (SFRJ). Transformacija sistema iz socijalističkog u kapitalistički dovela je do njihove alijenacije, siromaštva i isključenja. Transformacija, kao dio procesa neoliberalne globalizacije, sprovedena je kroz takozvanu “šok terapiju” što je uključivalo mjere liberalizacije, privatizacije i stabilizacije. Veliki industrijski sistemi i vodeća preduzeća u društvenom vlasništvu u SFRJ su bili predmetom, često dubioznih, privatizacijskih procesa. Kroz takve procese radnici, koji su nekada bili i vlasnici i glavna pokretačka snaga preduzeća u kojima su radili, su izgubili vlasništvo i mogućnost da rade u istim. Većina istraživanja o post-socijalističkoj ekonomskoj transformaciji usmjerena su ka promjenama sistema, te ekonomskim aspektima privatizacijskih procesa i uvođenja tržišne ekonomije. Međutim, rijetka su istraživanja koja u svom fokusu imaju procese privatizacije i transformacije gledano iz ugla samih radnika. Ovaj rad ima za cilj da popuni tu prazninu i da daje drugačiji osvrt na transformaciju SFRJ i država nastalih njenim raspadom. Kroz intervjuje sa bivšim radnicima privatizovanih i/ili zatvorenih fabrika i industrijskih kompleksa (na primjeru fabrike “Rudi Čajavec”), u radu se analiziraju stavovi i osjećanja radnika prema radu u socijalističkoj Jugoslaviji i radu danas, kao i prema privatizaciji i procesima povezanim s privatizacijom. Istraživanjem se daje glas samim radnicima i, gledajući unatrag, daje se pristup zamišljanju rada u budućnosti sa radnicima u centru istog.

Andela Pepić

© 2020 Published by Politeia (politeia.fpn.unibl.org). This article is an open access article distributed under the terms and conditions of the Creative Commons Attribution license (http://creativecommons.org/licenses/by/3.0/rs)