

Transition Economy and Its Effects

Serbian transcript:

Оно што је једно веома често питање које се поставља када се анализира ситуација у Србији јесте колико се живот људи променио у односу на период од 2000. године када је дошло до демократских промена и до Плишане петооктобарске револуције у Србији, дакле колико се живот променио од тада до данас. У том периоду је практично прошло десет година, и то је већ једна разумна временска дистанца са које може да се добро сагледа шта је то што се променило у животу обичних, просечних људи у Србији, а шта је оно што је остало исто или слично као што је било у том периоду. Па, да би се дао одговор на ово питање треба сагледати различите аспекте, овај, друштвеног живота. Пре свега, што се економије тиче, економски систем се у датом периоду потпуно променио. До 2000. године, пре свега Србија је била под више слојева међународних санкција, економских и политичких, што је, дакле, већ било на снази неких практично више од осам година у тренутку када је дошло до демократских промена, и све то у комбинацији са ратовима и једном крајње деструктивном домаћом монетарном и фискалном политиком је довело до тога да једноставно стандард грађана буде међу најнижима у Европи.

Оно што треба имати на уму јесте да је Србија, за разлику од осталих земаља у којима је на власти био комунизам, она није, дакле, заправо започела своју транзицију на онај исти начин на који су то учиниле друге земље Источног блока, између осталог и због тога што она није била типична земља Источног блока. Дакле, није спадала у сферу утицаја Совјетског Савеза, што самим тим значи да ни друштвено, политичко и економско уређење Совјетског Савеза на Југославију тадашњу, иако је била комунистичка држава, није било пресликано, већ напротив; дакле, Југославија је имала свој сопствени социјалистички самоуправни систем економије који је био битно различит од осталих земаља Источног блока и у многоме је то представљало предност Југославије, зато што су њени грађани уживали далеко већи и бољи животни стандард од осталих земаља Источног блока и осталих земаља у којима је на власти био мање или више ортодоксни комунизам.

Дакле, када је 2000. године дошло до демократских промена у Србији, српска привреда је била у великој мери неререформисана. Она је заправо још увек била на неком размеђу између тог самоуправног социјализма. Највећи број фирми и компанија у Србији је заправо био у једном посебном облику својине који није толико познат на Западу, који се назива „друштвена својина“. Дакле, то је различито и од државне својине, дакле, и од приватне својине, од задружне својине и свих других облика својине.

Шта је то конкретно значило? Па то је конкретно значило, дакле, да и са тим преласком на овај капиталистички облик привређивања још увек највећи број

запослених у Србији заправо ради у тим предузећима са већинском друштвеном својином, од којих убедљиво већина није била економски рентабилна, али је зато државним субвенцијама њихово постојање одржавано, и ти људи су одржавани у стању радног односа, на платним списковима. Додуше, дакле, све је то било прилично вештачки, и држава је та средства, дакле, прибављивала на различите друге начине, добар део је и из такозване сиве економије, затим инфлаторним путем, инфлација је била прилично висока, девизне резерве су биле јако, јако танке, и држава је, дакле, добар део новца прибављала од илегалног извоза, пошто смо се налазили под међународним санкцијама, тако да оно мало производње што је постојало је углавном било брендирано као да је произведено у некој од околних земаља, дакле Македонији, Босни и Херцеговини и тако даље, али је на такав начин ипак на неки начин добар део људи био социјално подмирен у том најосновнијем смислу. Дакле, имали су, оно, средстава за исхрану, за те најосновније потрепштине.

English translation:

A very common question asked when the situation in Serbia is analyzed is, how much did the people's lives change compared to the period before 2000, when the democratic changes and the Velvet Revolution of October 5th¹ took place in Serbia, and how much did the standard of life change since then? This ten year-period represents a decent amount of time that allows us to objectively observe change in the lives of average people in Serbia, as well as note what remained the same or similar to the way things were during that period. So, to answer this question you first have to examine different aspects of, err, of our society. First of all, as for the economy, the economic system has completely changed since. Until 2000, Serbia was under several levels of international sanctions², both economic and political, which were in place for more than eight years at

¹ The speaker here actually refers to the Bulldozer Revolution. The Velvet Revolution was a non-violent revolution that took place in Czechoslovakia in 1989. The Bulldozer Revolution (also known as the October 5th Overthrow) refers to the largest protests in Belgrade, where several hundred thousand protesters from all over Serbia came to Belgrade in the aftermath of the 2000 presidential elections in order to force the then-president Slobodan Milošević to resign. The protests were sparked by Slobodan Milošević's victory in the elections and the subsequent investigation of the election fraud which conclusively proved that Milošević in fact lost. Although the protests were mostly peaceful, many regard this date as a turning point in the history of Serbia since due to the pressure from protests Slobodan Milošević resigned two days later, and a legitimately elected government was established immediately after.

Source: Overthrow of Slobodan Milošević. (n.d.). In *Wikipedia*. Retrieved September 27, 2012, from http://en.wikipedia.org/w/index.php?title=Overthrow_of_Slobodan_Milo%C5%A1evi%C4%87&oldid=503941536

² Serbia (then the Federal Republic of Yugoslavia, together with Montenegro) was placed under economic and cultural sanctions, including a trade embargo, by the United Nations Security Council as early as May 15, 1992, due to their involvement in wars in Croatia and Bosnia and Herzegovina. These sanctions were partially lifted in early 1994, after the Federal Republic of Yugoslavia (FRY) closed its borders towards the Serb para-states in Croatia and Bosnia and Herzegovina. The sanctions were fully lifted after the ratification of the Dayton Peace Agreement in Paris, on December 14, 1995. However, after the escalation

the time of the democratic changes. The sanctions, in combination with the wars and completely destructive monetary and fiscal policies, have led to the fact that, at the time, the average citizen's standard of life was among the lowest in Europe.

You have to keep in mind that Serbia, unlike other countries with a communist regime... It didn't actually begin its transition [to capitalism] like other countries of the Eastern Bloc mostly because it wasn't a typical Eastern Bloc country. It didn't fall under the Soviet Union's sphere of influence, which means that the social, political and economic system of the Soviet Union wasn't applied to what was then Yugoslavia. On the contrary – Yugoslavia had its own socialist self-governing economic system that was considerably different from [the economic systems of] other Eastern Bloc countries. This was in many ways to Yugoslavia's advantage, because its citizens were privileged with a better standard of life than other Eastern Bloc countries and other countries under a more or less orthodox Communist regime.

So, when democratic changes took place in Serbia in 2000, Serbian economy was generally in need of reform. It was in fact still trapped between self-governing socialism [and capitalism]. Most companies in Serbia had this specific type of ownership which is not that familiar in the West, called public property. It is in essence a completely different thing than government property, private property, communal property and all other forms of property ownership.

What does this mean in practical terms? Well, in practice it meant that during this transition to the capitalist form of economy, a majority of workers in Serbia actually still worked in these companies that were completely or partially public property. Most of these companies were not economically profitable; they were basically kept alive through government subsidies. The workers were kept on employee lists and given paychecks. However, this was very artificial – the government gained the [subsidy] funds in different ways; most of it came from the so-called "gray market" and by inflation. Inflation was fairly high and the foreign currency reserves were stretched thin, so the government gained a large portion of its funds via illegal import since we were under international sanctions, so whatever industry that we had left was used by branding its products as if they were made in one of the surrounding countries – for instance Macedonia or Bosnia and Herzegovina etc. However, I must point out that [through this malversation] a decent part of the working class were financially provided for, at least basically – meaning that they had money to buy food and basic supplies.

of war in Kosovo (Serbia's southern province with an ethnic Albanian population, also known as Kosovars) in 1997, the UN and the United States imposed a new set of sanctions on FRY. This second set of sanctions was lifted in the summer of 1999, after the signing of the Kumanovo Agreement, which brought peace to Kosovo. The speaker here refers to the first set of sanctions from 1992, which are generally considered to have been the harshest.

Sources: Sankcije SR Jugoslaviji (in Serbian). (n.d.). In *Wikipedia*. Retrieved September 21, 2012, from http://sr.wikipedia.org/wiki/%D0%A1%D0%B0%D0%BD%D0%BA%D1%86%D0%B8%D1%98%D0%B5_%D0%A1%D0%A0_%D0%88%D1%83%D0%B3%D0%BE%D1%81%D0%BB%D0%B0%D0%B2_%D0%B8%D1%98%D0%B8

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