

# Serbia faces increased political and social turmoil

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A year after the ousting of Slobodan Milosevic by the pro-Western opposition movement, the republic of Serbia is wracked by extreme social and economic tensions that have recently spilled out in a wave of industrial unrest.

Broad layers of society are demanding a halt to the further deterioration of their living standards and spiralling basic commodity prices, as a result of the government's rapid privatisation programme. The government's decision to free price controls caused an enormous increase in the cost of living. In addition to a substantial rise in the price of meat and bread, the cost of electricity and phone services have also risen. It is expected that charges for heating and public transportation will also increase.

At the beginning of September, trade unions organised a one-hour general strike, with organisers estimating that half a million people took part. The most prominent slogan at the rallies was for government action to improve workers' living conditions.

On September 11, Serbian Prime Minister Zoran Djindjic held talks with Kolubara miners, in an attempt to stave off their strike action over wage demands and improved working conditions. The government is extremely sensitive toward the threat posed by miners taking industrial action in light of the role they played in the downfall of Milosevic. Workers protested in front of the government building during talks between Djindjic and trade union leaders.

On October 2, following the failure of negotiations between miners' leaders and the government, miners from all four excavation sites of the Kolubara basin near Lazarevac went on strike. Miners from another area south of Belgrade joined them later in the week.

The miners had been angered by comments made by Serbian Finance Minister Bozidar Djelic, contrasting favourably miner's wages—which are higher than the average wages of state workers—to the general population

and warning the strikers not to “fly at their throats.”

Djindjic warned the miners that there were “other social strata rather poorly-off.” He continued, “If citizens agree that we raise electricity prices by 100 percent or 200 percent and give that money to miners, then there is no problem. But our estimate is that our people can't pay such high prices.” He then hinted at the possibility of further job losses in a somewhat incoherent statement, which concluded, “a fictitious workplace, for which you have only a paper but you produce nothing, can't be turned into a business by any pressures, strikes and demonstrations.” Change could only be made through “a joint, national program of reforms,” the code word for further privatisations and rationalisations.

In the first half of this year industrial production fell by 2.5 percent. Last year's severe drought also meant agricultural output was exceptionally low and shows no sign of improving.

Serbia has already reneged on payments to Russia for natural gas supplies. Damage to power stations and other economic difficulties resulting from the US-Nato bombings in 1999 have forced it to turn to surrounding Balkan states for electricity.

The value of the so-called “consumer shopping basket” for a three-member family—which includes the cost of food and toiletries, as well as utilities—is well above average monthly income. In the first half of the year, the purchasing power of the general population fell by 35 percent. As long as there are no further price increases, this year's inflation rate should be 40 percent, exceeding the forecast rate of 30 percent.

On October 4, the government agreed to raise the price of electricity by eight percent for most households. As a result of the protests, it was decided to postpone all other price rises, except for public transportation.

To try and calm the situation, statements appear in the media by various government minister's almost every

day, assuring the public that there will be no new price rises before the end of the year. A more accurate forecast can be gauged from the statement made by the deputy economy and privatisation minister, Mirko Cvetkovic, in Vranje on October 3. Cvetkovic announced the planned privatisation of 7,000 Serbian enterprises, 300 through public tenders, and the rest through public auction.

He also noted that at least 30 Serbian enterprises facing bankruptcy would have to go through restructuring in order to be able to find “strategic partners.” According to Cvetkovic, the restructuring of those enterprises would be carried out along the same lines as that of the Zastava factory in Kragujevac, where over 15,000 workers lost their jobs. The retrenchments at Kragujevac were widely interpreted as the start of a drastic reduction of the number of employees in the metalworking industry. The knock-on effects will hit some half a million workers.

On October 5, fleets of trucks and buses, led by two yellow bulldozers, drove into the square in front of the federal parliament to stage a re-enactment of the uprising that had swept Milosevic from power a year ago. But the anniversary celebration, with its cacophony of horns, whistles, a factory siren and a traditional Serbian brass band only served to expose the widening gulf between those now in power and the majority of the population.

The participants came mainly from the central Serbian town of Cacak, a stronghold of opposition to Milosevic. Only a few hundred people came out to watch the spectacle, and most of the crowd complained that nothing had changed in the last year, except that prices had gone up. The student movement Otpor, a leading force behind the uprising last year, staged a protest outside the Serbian parliament a few days later, wearing T-shirts printed with a message for the new “democratic leaders”: “You look much alike.”

The country’s political leaders virtually ignored the anniversary. President Vojislav Kostunica had nothing to say about his first year in office apart from, “The most important thing is that liberty was seized.”

Prime Minister Djindjic declined to mark the day with any celebrations. At a news conference, instead of recounting his role in the ousting of Milosevic, he spoke of the need to raise electricity prices. He also raised the need to dismiss as many as one million workers from bankrupt state enterprises—remnants, he said, of the economy Milosevic inherited when he came to power in 1987.

The Serbian administration faces a series of political problems. Not least being the serious rift that has

developed between Kostunica and Djindjic, who have clashed on a number of issues, including the arrest and extradition of Milosevic to the UN war crimes tribunal (Kostunica being opposed and Djindjic in favour).

Kostunica, as president of the Federal Republic of Yugoslavia (FRY) controls the army, while Djindjic controls Serbia’s police force. There have been repeated mutual accusations by the two leaders over the past months about meddling in the police and army. Tensions erupted after the recent killing of a former state security official Momir Gavrilovic, who was said to be in Kostunica’s office hours before he was slain by unknown gunmen. It is widely speculated that Gavrilovic was killed so he would not reveal information about links between Djindjic’s party and the mafia.

In August, Kostunica pulled his Democratic Opposition of Serbia (DOS) out of the 18-party ruling coalition and raised the possibility of an early election. But on August 29, after a seven-hour meeting that stretched into the early hours, the leaders of the coalition agreed to preserve their alliance to avoid instability. The Minister for Foreign Economic Relations, Goran Pitic, said in a news interview that the infighting represented by far the most serious threat to Serbia’s stability—frightening Serbs and potential donors and investors abroad.

Pitic may have let the internal disagreements blind him from the many uncertainties ahead, not least the survival of Yugoslavia itself. The leaders of Serbia’s smaller neighbour Montenegro, which provides Serbia’s only access to the Adriatic, continue to insist on independence. The fate of Kosovo, the Serbian province presently administered as a United Nations protectorate, also remains unclear. Next month, elections in Kosovo will bring it closer to self-rule; an outcome still resisted within Serbia.



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