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Notes on “Command of Money” and the End of Socialism¹

I

Taking the cue from the more recent work of Stipe Grgas, in this article I would like to reflect and expand on the thematic and disciplinary encounter that characterizes his latest scholarly undertakings. The historical conditions for the encounter I have in mind were created by the universalization of capitalism, for which the year 1989 symbolizes a milestone event.² Grgas’s remarks on this event and its implications for American Studies can be found in his “Changing American Priorities: A view from the ruins of its “communist ally,” a text that will serve as a starting point for the present essay. In it, the convergence of Grgas’s interests in America, capital, and socialist Yugoslavia is most explicit, and the encounter I have mentioned most cogently staged. This encounter is not only a thematic one. The cited triad should also be taken to indicate a tendency to stretch disciplinary limits and reconfigure the research field in line with the exigencies of the present moment, something Grgas has repeatedly emphasized.³ There is little doubt that this incursion of the “now” into scholarly practice can lead to problems of discipline, in both senses of the term, as its institutional limits may turn out to be unable to sustain the pressures and critical demands of the contemporary conjuncture. Here, I will touch upon disciplinary issues only implicitly, by practicing, as it were, a bastardized variant of disciplinarity. Such a move could perhaps be elaborated on in a more systematic manner at a different time, and, however modestly, examined for its potential to claim as its commons (for lack of a better term) the kind of knowledge production that usually gets subsumed under the denominator of “humanities and social sciences.”

As for the unruly encounter in Grgas’s recent work that provided the opportunity for my intervention, although it might not be readily apparent, its genealogy is entirely an Americanist one. Let the last item of the triad serve as the starting point for

¹ This essay is part of the research project “A Cultural History of Capitalism: Britain, America, Croatia,” funded by the Croatian Science Foundation.

² In my understanding of “universalization of capitalism,” I rely on the work of Ellen Meiksins Wood. For relevant formulations, see Wood 1997, 2002.

³ Most explicitly in “American Studies as a Contemporary Disciplinary Practice” (2014). Although Grgas would insist on the need for American Studies to turn critically to the field of economics, his own turn has equally been a philosophical one, with the names of Karl Marx and Martin Heidegger marking the formative influences.

an introductory explanation. Grgas's Americanist interest in socialist Yugoslavia was first articulated in his "Croatian Leftist Critique and the Object of American Studies" (2014), where he restates his argument about "the United States as the exemplary capitalist country," and attempts to read it through the archive of the Praxis group of Yugoslav philosophers. Here, Grgas explicitly appeals to post-socialist scholars "not [to] take the demise of the former [socialist] system as the zero-point of thought" ("Croatian Leftist Critique" 111). This appeal is an appropriate conclusion to an article that aims "to bring [William] Spanos's work not only to the attention of regional Americanists but to do so by retrieving the leftist critique in Yugoslav philosophy" (*ibid.* 109). Setting aside for the moment Grgas's nod to Spanos (and, consequently, to Heidegger), I would like to take this as a condensed summary of the direction of his recent research: its purpose is equally to inscribe capital in the object of American Studies and to inscribe the Yugoslav (post-)socialist experience in the disciplinary practice itself. In other words, the encounter announced by the convergence of Grgas's scholarly interests is the outcome of a specific historical conjuncture—the "Americanization of the planet"—and a critical reflection on disciplinary positionality—our peripheral, post-socialist present.

In "Changing American Priorities," with its suggestive enunciation of an almost apocalyptic sense of the current times ("a view from the ruins"), Grgas develops the established research agenda and argues for "the epochal significance of the collapse of the socialist world—or, put otherwise, the restoration of capitalism" for "the emergence of the contemporary moment" (9). Here, his interest is in "the history of United States's presence in Yugoslavia and in the region after the breakup of the federation," and how this presence "reflects the changing nature of the American economy" ("Changing American Priorities," 10). The moment of the country's breakup is understood here as being defined by "the command of money . . . its global reach and its intention to eradicate everything that stands in its way" (*ibid.* 19). Relying on the work of Panitch and Gindin, Grgas maintains that the United States today is uniquely positioned to "oversee" and benefit from the global movement of finance capital (*ibid.* 26). What appears central for the "Americanization of the planet," even as it is played out in the semi-periphery, on the territory of America's former "communist ally," is the domination of finance capital. In short, the moment of socialist Yugoslavia's breakup takes place within the international but U.S.-centered system of financialized capitalism. For Grgas, at least part of Yugoslavia's tragedy stems from the fact of its blindness to the new, post-Cold-War geopolitical reality: "To acknowledge that historical events had deprioritized the region to insignificance demanded a leap of the imagination or a sobering taking stock of a newly-created reality which neither the people nor their political leaders were capable of performing" ("Changing American Priorities," 14). In addition, he writes, "If . . . 1989 was Eastern Europe's 1968 and their entry into postmodernism, we can say that they were unprepared for that entry. They were unprepared to realize, to quote Christian Marazzi, that 'money has become the ultimate and most sophisticated instrument for world capitalist structuring today'" (*ibid.* 23).

Apart from its more obvious consequence, namely, the opening of the American Studies corpus to the forgotten or marginalized interventions of Yugoslav philosophers and social scientists (one which, curiously enough, implies a Marxist turn to Heidegger), another act of resuscitation implied in this gesture is worth emphasizing. If the inscription of capital in the United States is part of an act of "unconcealment," so is the inscription of capital in the present-day post-socialist Croatian reality. The importance of the latter should be obvious to anyone interested in the so-called "region." This euphemism, which works to erase not only the memory of a common past, but also the memory of a socialist past, can serve as a reminder that, despite being marked by conflicts of various kinds and intensities, the post-Yugoslav space has remained united in its disavowal of the Yugoslav socialist legacy, on the one hand, and a tacit acceptance and normalization of capitalism, on the other.

Grgas points to the consequences of this historical obfuscation for a moment when the "command of money, debt, and shocks of austerity are being given full sway, while systematic amnesia works hard to erase remnants of an alternative world" ("Changing American Priorities," 19). Indeed, today, outside of the relatively narrow circles of specialized researchers, it is not very well known that the Yugoslav nineteen-eighties were a time not only of deep political crisis, but also of massive social unrest caused by the implementation of "structural adjustment" measures and economic reforms predominantly dictated by the IMF and the World Bank, the country's main creditors.⁴ The more decisive reforms from 1988 onwards fundamentally changed the economy of Yugoslav society, effectively reintroducing capitalist social relations. Unlike the present-day disciplinary regimes of austerity, these processes were not indifferently or passively accepted, despite the consistent official proclamations about their inevitability. It is starting from this point of difference that I want to offer some remarks on and against the retrograde amnesia mentioned by Grgas. As a preparatory excursion into what should be a larger project of reconstructing the long politico-economic event and the hegemonic shift that set the stage for "the emergence of the contemporary moment," I want to consider some of the ways in which the experience of that transformative period—the mid- to late 1980s, up to the outbreak of war in 1991—was articulated in contemporary Yugoslav culture and society. Briefly, my intention is to offer a supplement to Grgas's account of the genealogy of the present moment with a different reflection on America, capital, and socialist Yugoslavia.

Before continuing, it should be made clear that here I will not be dealing with the financialization of the Yugoslav or Croatian economy, but rather with the transformative moment of socialism's demise under the conditions of international domination of finance capital. According to a report by the Croatian National Bank, due to the war, Croatia did not get access to world financial markets until after 1994 (Kačan

⁴ According to Giovanni Arrighi, "Yugoslavia represented one of the first, and most drastic, examples of the devastating impact of IMF policies on those countries worst affected by the debt crisis of the late 1970s," as Lowinger reports (199).

1). For Croatia, the “disequilibrium” between the financial and the real sectors of the economy, as a “consequence of a growth model based on a disproportional expansion of the financial sector”—that is, financialization “proper”—can be dated later, between 2000 and 2009 (Krnić and Radošević 4). Still, it could be argued that the clearing of the ground started in the reform years. As a 1991 World Bank report (to which I will return) informs us, in the reform year 1989, a money market was established in Yugoslavia, as well as “stock exchanges in Belgrade, Zagreb, and Ljubljana which are regulated by a Federal Securities Commission” (37). The creation of a “Banking and Finance Institute” meant to “provide specialized training in banking and security markets” for Yugoslav “bank managers and staff” was announced for 1991 (38). Finally,

the Government recognizes that the financial sector must be further diversified to include non-bank financial institutions (NBFIs) as well as banks. Specifically this means the establishment of a securities market and the development of different types of NBFIs such as collective investment funds, investment management companies, brokerage firms and insurance companies. (World Bank 40)

The reforms implemented and planned by the last Yugoslav federal government (and the World Bank) would remain unfinished due to the country’s disintegration and war. Yet they were indicative of the contemporary mutation of capital and its geographical diffusion. The broader meaning of the quoted passage can be surmised by taking into account the perspective on financialization offered by a work of fiction. In Po Bronson’s *Bombardiers*, a 1995 novel about work in the world of finance, the traders of “Atlantic Pacific” are set on profiting from the recent democratization of the European East. “In March of 1990, the Romanian democratic government mandated an instant free market economy,” writes Bronson (140). As part of the same process, “the entire history of Romania had been rewritten by Atlantic Pacific to emphasize its capitalist, commercial roots” (146). Bronson’s agents of finance capital “were rescuing this poor country rich with natural resources from the throes of post-communist economic inefficiency. . . . Romania’s twenty-first century belonged to Wall Street. Eastern Europe was the last frontier” (107). Yugoslavia was no Romania, but the key motifs of Bronson’s satirical take on finance capital’s entry into Eastern Europe—Western help, (post-)communist inefficiency, the occluding of socialist history—apply equally to its own experience of the restoration of capitalism around 1989.

II

The turbulent 1980s, the period of Yugoslavia’s increasingly definitive move towards capitalism, have received significant attention in literature. However, approaches to this crucial decade have largely been of the top-down kind and have consequently avoided any consistent discussion of the position and experience of the popular

classes.⁵ This is unfortunate, given that even a cursory look at the contemporary archive reveals the decade as a time of intense public debate about the problems of the Yugoslav variant of socialism and the future of Yugoslav society. The weekly *Danas* pointed to one of the central political issues of the time when commenting on the results of the shock-therapy reform measures of Prime Minister Ante Marković in 1990: namely, the issue of defining and understanding the priorities of a society in crisis. Depending on whether one preferred to emphasize the reform's consequences for the living standard of the Yugoslavs, or for the output of the country's industry (both of which fell drastically during 1990)⁶, or, on the other hand, the reform's purely monetary aspect (their success in stopping inflation and making the dinar convertible), the measures could be considered either as "agony of the socialized sector" or a "monumental" success (Jakovljević 29). Marković's adviser, the American economist Jeffrey Sachs, famously considered shock to be a necessary part of the transition out of socialism, a way for people to "realize that something fundamental has changed, that things will never be like before" (Sekulić 7). Both official history and the collective memory of post-Yugoslav societies seem to privilege Marković's monetarist success, despite the fact that the impact of the reforms on the country's manufacturing industry shaped the new times in grave and decisive ways. That the latter has been completely repressed from the ethnocentric histories of the post-Yugoslav nation-states in the process of recovering their supposedly stifled sovereignty, testifies not only to the shattering societal consequences of war, but also to the success of economic shock as conceptualized by the American economist and implemented by the Yugoslav (and post-Yugoslav) political elites. It should also be noted that there is a pronounced class aspect to the founding amnesia of the societies that emerged from the ruins of Yugoslavia. That is, this oblivion points to the material and ideological demise of labor in the said period.

⁵ This situation is certainly changing. An overview of relevant literature is beyond the scope of the present essay, but for a useful starting point, see Dragović-Soso 2008. More recent approaches to the topic can be found in Bieber et al. 2008. Vladislavljević (2008) offers a perspective "from below" on one of the crucial events of the time, the "antibureaucratic revolution." As for the labor strikes in the nineteen-eighties more specifically, anyone interested in the topic should consult Jake Lowinger's essential study, which offers a systematic account of the extent and impact of the industrial actions of that time. The ongoing research project of the Center for Southeast European Studies, "Between class and nation. Working class communities in 1980s Serbia and Montenegro," is another effort in the direction set by Lowinger. I have been working on a research project that focuses on the strikes in the Borovo industrial system near Vukovar at the end of the 1980s (cf. Cvek et al. 2015). Since I am extensively relying on data and conclusions from the Borovo project in the present essay, I would like to acknowledge the indispensable contribution of my colleagues Snježana Ivčić and Jasna Račić.

⁶ According to the 1991 World Bank report, between the end of 1989 and mid-1990, the buying power of Yugoslavs fell 41%, while industrial production decreased 11% (10).

III

It is to the class aspect of the transformative moment that I turn next. But before looking into “the hidden abode of production,” where the new realities of work and life in capitalism would be made most palpable, it is necessary to point out that Yugoslavs had been living under austerity measures of various kinds of intensity throughout the 1980s. A quick look at an unlikely example can help shed light on the ways in which this difficult experience was articulated in popular culture.

In 1985, three years into Yugoslavia’s “stabilization program”—a set of economic measures dictated by the country’s international creditors—the Sarajevo rock band Zabranjeno Pušenje [No Smoking] released a song that expressed well the anxieties of a society in crisis. (The year before, the group made fun of the government’s Long-term Program of Economic Stabilization in their television comedy series *Top lista nadrealista* [The Surrealists’ Top Chart]). In the song, entitled “Ujka Sam” [Uncle Sam], the protagonist is awakened in the middle of the night by Uncle Sam himself. After showing him his signature on a loan agreement, the American demands repayment. Taken aback, the protagonist offers excuses and political slogans instead of money: the economy is not doing well; “our wealth,” he explains, “is brotherhood and unity” and “the legacy of the people’s liberation struggle.” Uncle Sam remains unshaken, and concludes: “No problem, my boy! Uncle Sam will buy it all!”—foundational Yugoslav political ideals can be bought, too. The song ends with the protagonist waking up from the bad dream, his mind clear after the nightmarish visit from the creditor who talks like a thief. He rushes to his workplace, overhearing some empty phrases from a politician on the radio. He explains to his coworkers that the endangered “brotherhood and unity” cannot be defended by the manipulative rhetoric of Yugoslav politicians, but only by work, by labor itself.

The song is interesting not only because of the link it establishes between Yugoslavia’s debt and the United States, but also for the way in which it points to the local ruling elites as the more immediate carriers of the interests of capital (one might add: notwithstanding their actual awareness of such involvement).⁷ In that, it both resembled and differed from some of the existing critiques that focused more squarely on the power of global finance capital. For instance, in the same year in which Zabranjeno Pušenje alluded to the social work of international debt, the quite liberal economic magazine *Ekonomaska politika* published a text about the “forced measures” of austerity and structural adjustment that were imposed on Yugoslavia by the IMF, noting that that “the decision to engage in negotiations with the IMF does not lie with any single debtor country . . . but with the well-organized international finance capital”

⁷ Maša Kolanović notes that the depictions of “America” in Yugoslav literature and popular culture of “decadent socialism” (the 1980s) were often emphasizing its negative, “dystopian” aspects (2014: 209–12). She relates this trend to the aftermath of the stagflation and rise of conservatism during the Reagan presidency (2014: 202), at a time when Yugoslavia was witnessing increasingly conspicuous critiques of the state and direction of the socialist society. Elsewhere, she suggests that popular images of America at the end of the eighties were related to Yugoslavia’s self-perception during the time of crisis (2013: 209).

(Jovović 21). The socialist ideologeme that closes the song—its appeal to labor, the central political and ideological category of Yugoslav socialism—was still a persistent one during the 1980s, despite the fact that the burden of the contemporary economic reforms was increasingly being carried precisely by labor, now also exposed to austerity measures and unprecedented levels of unemployment (cf. Woodward 347–48). By the end of the decade, with the country effectively disintegrating during the initial phase of its transition to capitalism, the discrepancy between the official ideology's insistence on the centrality of labor, especially of the industrial kind, and the reality of a totally devalued Yugoslav working class reached its climax first in mass strikes and then in the layoffs and factory closures of 1990 and 1991. In the quoted song, the protagonist's refusal of the official political discourse—which often relied on old ideological language to justify the inevitability of new, market-oriented times⁸—and the simultaneous embracing of the highest socialist ideal, labor, pointed to the existence of social energies that still took at least some of the promises of Yugoslav socialism seriously.

While the party bureaucracies were busy implementing a stabilization program that, according to Woodward, "reflected . . . the 'realist position' [towards labor] emerging in the 1980s on the European ideological left as well as in the center" (i.e., the end of the ideal of full employment), the worsening of the living standard of the Yugoslav population, caused by skyrocketing inflation combined with cycles of austerity, did not pass without popular opposition.⁹ As Ramet noted in a contemporary analysis of Yugoslav "apocalypse culture," the number of strikes "increased 80 per cent between 1982 and 1983" (9). By 1989, hundreds of thousands of workers (especially in industry) were protesting shortages of raw materials, lack of work, and, consequently, insufficient income and a declining standard of living (cf. Lowinger 28). At the same time, the political elites were persistently making appeals "for a market economy," advocating and implementing policies of "liberalization and deregulation . . . that should open the space for entrepreneurship, inventiveness, and initiative of our workers and managers," as the Yugoslav President described the ongoing reforms in 1989.¹⁰ The power struggles within the League of Communists and the inter-

⁸ As late as 1989, the reformist federal government of Ante Marković was describing its goal as "new socialism."

⁹ Stuart Hall remarks that, in Britain, "the onset of recession in the mid-1970s" led to "the turn towards a Labourist version of 'monetarist realism'" (2). Keeping in mind contextual differences, "monetarist realism" seems a fitting phrase for the other aspect of Yugoslav government's economic policies at the end of the 1980s.

¹⁰ "Za tržišnu ekonomiju," *Borovo* 3096, September 22, 1989: 1. It is true that Yugoslav socialism has historically been characterized by a strategic reliance on the market. Johanna Bockman has analyzed in detail the theoretical and institutional underpinnings of "market socialism" and shown how, being based on neoclassical economic theory, Yugoslav socialism relied on, for example, notions of workers as "entrepreneurs." Such politico-economic commitments supported the reform of 1965, which meant, as Bockman puts it, "moving in the direction of *laissez-faire* socialism with worker self-managed firms competing on a market" (93). Bockman's informative study offers valuable insights into the relationship between economic theory

republican competition over the distribution of federal resources gave rise to populist ethno-nationalist politics, of which the rise of Slobodan Milošević, the banker-turned-politician, remains the paramount example. Evidently, the responsibility for the “apocalypse culture” Ramet mentions, or for the eventual demise of Yugoslav socialism more generally, cannot be simply put on international financial institutions. But my point is a different one. It seems to me that in this period Yugoslav society was registering both the distant forces shaping its future, and the class tensions that these were exacerbating locally.

In the economically and ideologically central segment of the Yugoslav economy, its manufacturing industry, the tensions, contradictions, and conflicts of the 1980s escalated with the advent of the full effects of the shock therapy measures in 1990. Despite the notorious and regularly emphasized problem of the country’s uneven development, Yugoslavia was in fact an industrial country. In 1983, the participation of industry in Yugoslav GDP was 41% (Feletar 85). Although industry had been experiencing a downturn since the late 1970s, the beginning of its virtual destruction—with all the consequences this would have for a workers’ state that based its legitimacy on a productivist notion of labor—is inextricably linked to the transformative moment ruled by the “command of money” discussed above.

IV

The example I want to focus on in order to flesh out the social aspect of this process comes from a Yugoslav industrial system with a particularly charged history, the shoe and rubber factory Borovo. Borovo is located near Vukovar, a city that today plays a foundational role in Croatian national mythology due to the fact that it was totally and tragically destroyed in 1991. But the historical significance of the factory and the town, as well as their destruction, transcends the boundaries of the nation. Borovo was founded and developed according to the Ford-inspired vision of the Czech businessman Tomáš Bata in 1931. The integrated industrial-residential complex of Bata-Borovo was one of the most complete instances of Fordist planning of work and life in our country.¹¹ Throughout its existence, Borovo was one of the backbones of the regional economy, as well as the engine of its modernization and industrialization. The factory has often, and for good reasons, been called “little Yu-

and policy in socialist Yugoslavia. However, I remain doubtful about some of its possible implications. For example, can we really speak, as Bockman does, of “left-wing origins of neoliberalism”? Yugoslav 1980s should definitely be viewed in relation to the international political-economic trends, but these were not quite, it seems to me, the result of a homegrown “neoliberal” (or neoclassical) historical development.

¹¹ Therefore, Borovo is also interesting because its beginning marks our encounter with what Gramsci termed “Americanism.” Bata’s arrival, with his “brutal business aggressiveness of the modern American kind” (Hrelja and Kaminski 9) testifies to the U.S. presence in Europe and Yugoslavia in a moment defined by an earlier mutation of capital, one which would set the direction for socialist Yugoslavia’s industrial development. My position would need to be corroborated by a more detailed account of the socialist cooptation of Fordism, which is beyond the scope of this essay.

goslavia" ("Jugoslavija u malom"), a fitting description not only because of its multi-ethnic workforce and country-wide presence, but also because its development and decline reflected closely the development and decline of the Yugoslav socialist project, itself very much based on a process of rapid industrialization and urbanization after the Second World War. Borovo, like the rest of Yugoslav industry, was especially hard hit by the waves of austerity measures throughout the 1980s. Actually, one of the more massive strikes of the late eighties was the one that started in Borovo and ended in the federal assembly in Belgrade, when the workers broke into the parliament despite the presence of security forces. The final blow to this "socialist mastodon," as the contemporary phrase went, came with the shock therapy of 1989 and 1990. In 1990, the policy of monetary restriction (meaning no credit for industrial enterprises), combined with a new regulation meant to "deregulate" the economy, resulted in a wave of bankruptcies and liquidations and in mass unemployment. In this situation, Borovo shared the fate of other Yugoslav industries.

To get an insight into the workings of the "real abstraction" of capital as these played out in this particular time and place, I will refer to two different sources. The first one is the report on the industrial restructuring of Yugoslavia published by the World Bank in 1991, a technical, somewhat abstract account of global flows of capital that includes recommendations for the then ongoing economic reform in Yugoslavia. The real-life consequences of the reform measures are readily observable in contemporary Yugoslav media and cultural production. My focus will be on a neglected source from this archive: a weekly factory newspaper. The *Borovo* weekly, the oldest paper of its kind in Yugoslavia (established in 1932), was primarily meant to provide information to the employees of the Borovo system about the state and perspective of their company, but it also covered local amateur culture, sports, and, more generally, everyday life in Borovo Naselje; in short, all aspects of life connected to the workplace by way of socialized funding. The weekly provides a host of detailed accounts of the lived experience of the reform and the related crisis in a socialist (and Fordist) company forced to accept the inevitable. The pairing of these archival sources testifies to an actual encounter: Borovo is one of the Yugoslav enterprises analyzed in the report, as it was destined for restructuring according to the World Bank or market rules. At the same time, the difficult move towards the market can be reconstructed on an almost day-to-day basis from the descriptions of factory life in the company newspaper.

In the 1991 report, the World Bank recognized the fact that shock therapy was affecting the economy indiscriminately: "Many potentially viable enterprises are currently in a crisis situation due to losses and illiquidity" (xi). The report also stated that this was due, among other factors, to "slumping domestic demand for consumer goods and particularly capital goods as a result of the stabilization program" (xi). In other words, the ongoing reforms ("stabilization," "restructuring") were having devastating consequences even for the viable parts of Yugoslav industry.¹² In 1990,

¹² As other factors affecting crisis in enterprises, the report lists "loss of sales to collapsing CMEA markets; and losses due to price controls." (xi)

as already mentioned, industrial production declined by 11% due to these measures. In the summer of that year, a Slovenian economist and critic of Marković's reforms, Aleksander Bajt, estimated that the decline would reach 38% if the trend continued the following year, and that it would result in another "one million layoffs" (Jakovljević 29). This is actually quite close to the World Bank estimates, which found that the "loss-making enterprises" (LMEs) are employing, and consequently need to "shed" "1.2 million workers," or "about 20% of the total work force" (12).

The World Bank was also aware that one way of saving the viable enterprises would be through government bail-outs. This, however, this was discouraged, since it would "compromise the financial sector reform as well as the stabilization program." (xi) In order for the financial sector reform to remain uncompromised, the World Bank argued, financial assistance to enterprises,

either in the form of debt relief or Government contributions, should be given only after certain preconditions are met, including: (a) the preparation, by the enterprise, of a restructuring plan demonstrating long term viability; (b) the shedding, by the enterprise, of surplus labor; (c) ownership reform, including privatization; and (d) the implementation of relevant price reforms by Government. (xi)

So the priorities are clear: they are in the "financial sector." The projected collateral damage is also named explicitly: it is "surplus labor." In the context of the described recommendations for consolidation of capitalist relations in Yugoslavia, it is worth repeating Prabhat Patnaik's question, "why do the governments of metropolitan capitalist economies choose inflation control as an objective over higher employment?", as well as his answer: "inflation control is essential for the stability of the wealth-holding medium [money], and hence for the stability of capitalism; if, in the process of achieving price-stability, much higher levels of unemployment are generated, then they simply have to be accepted and imposed upon the working class" (Patnaik 5). Given such priorities, it is interesting that the report dedicates a disproportionate amount of space to the problem of labor. This is because the existing position of labor, together with its repercussions for the expected transformation of property relations (privatization), was understood as an obstacle to a successful transition to capitalism. This obstacle was two-fold: workers were legally the owners of "social property" (i.e., the enterprises, but also the property of the enterprises, such as holiday resorts, and other social infrastructure financed by socialist companies), and workers were, by this time really only nominally, participating in the management of their firms. So the report concludes that "ultimately the success of trade and fiscal reform . . . hinges upon the resolution of property rights over capital and the role of labor in self-managed social-sector enterprises." (71)

At the time of this dramatic transformation, the *Borovo* weekly was so marginalized that the only way in which it could exercise some sort of agency were its reports, sometimes of an almost ethnographic nature, on the dramatic events in the factory.

These painted a grim picture of the coming times.¹³ In Borovo, the credit restrictions led to a chronic lack of work and the inability of the company to provide regular pay for its workers. Nevertheless, since it "had no alternative," as the Yugoslav president announced in 1989, the restructuring continued—and so did the numerous, fragmented, and uncoordinated strikes. In early 1991, after difficult negotiations, an official estimate of workforce redundancy was finally reached: 5,600 people needed to be laid off. Out of a total of about 23,000, that was quite close to the 20% of "surplus labor" that needed to be "shed" in Yugoslav enterprises according to the World Bank. In the spring of 1991, Borovo's management hired experts from Coopers & Lybrand Deloitte, a multinational firm offering "professional services," to help with the restructuring. The weekly reported that the restructuring program for Borovo "especially emphasizes" "the need for an increase in labor productivity and the elimination of surplus labor," as well as "better organization, including authority, responsibility, and incentive."¹⁴ The notorious events in Vukovar in the summer of 1991 cut short much more than the company's plans. Still, the situation in which the workers of Vukovar found themselves on the eve of war is well worth sketching out, as it shows how the new, capitalist rules of the game that would eventually be generalized in the years to come were first experienced in the sphere of work.

Since the austerity measures made access to raw materials, capital goods, and credit impossible, and since Yugoslavia was declared a high-risk country for investment, Borovo had problems finding any work. About 15,000 people are put on furlough at the end of 1990. In the spring of 1991, bankruptcy proceedings began in Borovo, which meant immediate layoffs for all people employed in factories under receivership. By that time, salaries were already 3 to 4 months late, about 10,000 people in the old company town of Borovo Naselje were late on their rent, kindergartens were taking company-issued coupons instead of cash, and so on. The halt of production in Borovo became apparent in the decaying public spaces and services; in fact, the social infrastructure of the town was crumbling under the effects of austerity and restructuring.

In the workplace, the pressure for an increase in labor productivity, discipline, and responsibility in line with the restructuring program was acutely felt. A small number of workers returned to their jobs in factories under receivership. There, they found themselves under the absolute authority of the court-appointed receivers. One of these ad-hoc managers declared that bankruptcy was "an opportunity for workers and managers to get back to work free from bureaucratic restraints." He added that "workers have had enough of self-management, their rights, sick leaves, and fake

¹³ As an aside, let me mention an entry from the weekly's regular section called "Little Economic Lexicon." In the first 1990 issue, the Lexicon gives the definition of "Wall Street," which reads: "synonym for the financial oligarchy of the USA" (*Borovo* 3110, January 1, 1990: 8). The entries in the Lexicon were not chosen entirely at random, but were meant to reflect on the ongoing crisis in Yugoslavia that Borovo, as a relic of a past that was being abandoned, felt especially acutely.

¹⁴ "Prestrukturiranje Borova", *Borovo* 3170, April 12, 1991: 2.

solidarity. They want work, someone to give them orders and their pay.”¹⁵ For a short while, one of the Borovo factories under receivership (the machine factory) increased its productivity eightfold. This was based solely on an intensified—or “Western,” as the weekly called it—work rhythm. However, those lucky enough to be back to work were only receiving the minimum wage. The agony of the factory and its workers dragged on under those conditions, now complicated and aggravated by the outbreak of armed conflicts in the Vukovar area.

Looking at this picture of the concrete consequences of the reform measures, it is difficult not to conclude that one of its main effects was the disciplining of Yugoslav labor, its adaptation to new work (and unemployment) rhythms and living practices. Indeed, it seems rather obvious that the bulk of the social burden of the finance-centered process of stabilization and restructuring was carried by labor. It was labor—as the most likely and numerous owner of social property, and at the time still the legal subject of self-management—that represented the main obstacle to the reforms that were underway. The clearing of the ground for the new system involved what David Harvey called “accumulation by dispossession,” which in the Yugoslav case implied the dispossession of the vast majority of the working people of the expiring federation. With that in mind, it could be argued that the reasons why Croatian society does not remember the events and processes involved in its tumultuous return to capitalism are structural, and that the act of forgetting, which bars our socialist past from view, is a constitutive gesture in the formation of the new, post-socialist society.

There is no doubt that the present discussion could be enriched by looking at other instances of industrial action in the same period. Although archival material points to the existence of strikes in the non-industrial sector at the time, the almost total lack of research on this topic makes it very difficult to draw any far-reaching conclusions.¹⁶ We do, however, find some traces of these forgotten events in the literary production of the time. In Goran Tribuson’s 1991 crime novel *Dublja strana zaljeva* [The Deeper End of the Bay] the story takes place in the later part of 1990, after the democratic elections and during the intensified process of economic restructuring in Croatia and Yugoslavia. The main protagonist is an ex-police inspector who, in the spirit of the new times, decides to try his entrepreneurial luck as a private investigator. The shift from the social (or public) to the private sector, officially celebrated and encouraged as the desirable direction for the economy as a whole, finds a cynical expression in Tribuson’s work. Asked why he decided to change jobs, especially considering the fact that the police got a raise from the new Croatian government, the PI can only think of “independence” as the reason for the change, thus echoing another relative novelty in

¹⁵ “POLI – Stečaj izmjenio sliku”, *Borovo* 3176, June 21, 1991: 1, 2.

¹⁶ In a March 1990 interview, one of the leading Yugoslav authorities on strikes, sociologist Neca Jovanov, commented on an ongoing teachers’ strike by noting a “growing revolt of politically disenfranchised, exploited, and morally devalued people,” and warning of a “sudden increase in the number of strikes outside of the so-called working class. Strikes of the “producers of knowledge,” Jovanov claims, testify to the “devaluing of this country’s greatest creative potential” (Domazet 4).

the political vocabulary of the young democracy. National independence was, along with "sovereignty," one of the central points of ideological legitimation for the new ruling elite. But the ex-cop's early experience of personal and national independence leads only to resigned questions: "independence in what? Insecurity and destitution" (Tribuson 15). A sense of sober anxiety is deepened by the protagonist's reflections on intensifying class divisions as these are registered in the news media: "Big black letters announced the strike of the metal workers, which the government labeled as politicized. As in a grotesque kaleidoscope, news about fashion shows, champagne tastings, and charity tennis matches mixed with those of bankruptcies, layoffs, and increasing misery" (Tribuson 46-47).

V

In the chapter about the economic crisis in his *Američki studiji danas* [American Studies Today], Grgas writes that we begin to notice the economic forces shaping our reality only in the moment of their collapse and dysfunction, when the interpretive codes that normalize and naturalize their everyday operations are, in that moment of crisis, destroyed (112). This should also remind us that a crisis is a scene of interpretive struggle, of conflicting efforts to establish old or new codes and to inscribe meaning in the ruins of the social structure, and, consequently, to open up or occluding future prospects. Nineteen-eighties Yugoslavia were precisely such a moment. The above discussion has been an attempt to point out some of the repressed aspects of the Yugoslav crisis, as well as some of the less acknowledged interpretive positions that were operative at the time. With these in mind, I move onto my concluding observation.

In the quoted book (139), Grgas points us to Fredric Jameson's demand that we think about "the identity and difference between the stages of capitalism, each one remaining true to the latter's essence and structure (the motive of profit, accumulation, expansion, exploitation of wage labor) at the same time that it marks a mutation in culture and everyday life, in social institutions and human relationships" (Jameson 2011: 9). Arguably, Grgas's recent work revolves more around the difference or novelty of the present conjuncture. Acknowledging the importance of this position, I would like to conclude by saying that, despite the newness of the historical conjuncture defined by "the command of money," there is also something old and familiar about it. As the above discussion of our own transition to capitalism illustrates, this sameness in difference is class struggle. Jameson himself made a similar remark in his 1998 review of Arrighi's *Long Twentieth Century*, entitled "Culture and Finance Capital." In the financialized 1980s, Jameson writes,

We seemed to be returning to the most fundamental form of class struggle, one so basic that it spelled the end of all those Western-Marxist and theoretical subtleties that the Cold War had called forth. . . . This means that an older vulgar Marxism may once again be more relevant to our situation than the newer models; but it also poses more objective problems about money

itself which had seemed less relevant in the Cold War period. (Jameson 1998: 137)

This closing quotation is not meant to advocate a return to a “vulgar Marxism,” but to point out the actual, historical dynamic of identity and difference in mutations of capitalism. The recognition of this dynamic can only begin with understanding the history of the present moment, against the “systematic amnesia” that has been the order of the day in the last quarter of a century. Working against such amnesia does not necessarily imply a melancholic attachment to what has been lost, but it does represent a necessary precondition for a better and more truthful account of our present predicament.

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