

De-industrialisation of Maribor: From Devaluation to Subordinated Re-integration Into Global Capitalism

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Abstract

We analyze the restructuring of the Maribor industry during the 1980s and 1990s. Various scholars have already studied the (de)industrialisation dynamics of Maribor in that period. We complement the existing studies by contextualizing the industrial transformations of the Maribor landscape within broader historical trends shaped by the neo-liberalisation of the world economy and the reintegration of the (post-)socialist economies from Eastern Europe into global capitalism under the Washington Consensus. Looking at the initial phase of the transition of Slovenia from the perspective of the Maribor region, one could see that it was all but "smooth and peaceful".

Keywords

Maribor, neo-liberalism, Washington Consensus, (de)industrialisation, crisis, post-socialist transition

Izvleček

Deindustrializacija Maribora: Od razvrednotenja do podrejene re-integracije v globalni kapitalizem

V prispevku proučujemo prestrukturiranje mariborske industrije v osemdesetih in devetdesetih letih prejšnjega stoletja. Različni raziskovalci so že proučevali procese (de)industrializacije mariborske regije v omenjenem obdobju. Te analize dopolnimo tako, da kontekstualiziramo transformacijo mariborske industrije znotraj širših družbeno-zgodovinskih tendenc, ki sta jih določala neoliberalizacija svetovnega gospodarstva in reintegracija (post-)socialističnih gospodarstev vzhodne Evrope v globalni kapitalizem pod Washingtonskim konsenzom. Če pogledamo na začetno fazo slovenske »tranzicije« z vidika mariborske regije, vidimo, da je ta potekala vse prej kot »gladko in mirno«.

Ključne besede

Maribor, neo-liberalizacija, Washingtonski konsenz, (de)industrializacija, kriza, post-socialistična tranzicija



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1 Introduction

Among the East European countries, Slovenia has been long considered as an exception. For instance, while in the early 1990s many countries experienced huge economic crises, entailing significant social costs, the initial transition in Slovenia is often considered to be "smooth and peaceful" (see, for instance, Mencinger, 2004, 76). This article puts such observations in front of a critical mirror because "political-economic transformations, capitalist and otherwise, are necessarily and inescapably characterized by uneven spatial development." (Peck, 2017, 2) It studies the changing patterns of the industrialisation of Maribor, focusing especially on the 1980s and 1990s when the most significant restructuring occurred. Various scholars already discussed the (de)industrialisation of the Maribor region (Lorber, 2006b; Lorenčič, 2010; Slavec, 1995). We complement the existing studies by putting Maribor's industrialisation dynamics into a broader socio-historical context.

We argue that (partial and selective) de-industrialisation of Maribor is best understood as a process of a massive devaluation of the Maribor labour and capital, which took place in the context of the neo-liberalisation of the world economy and the opening of (socialist) territories, sectors, and industries, which used to be protected from international competition to the world markets. While the Washington Consensus provided the main policy frame of this process, its pillars were established already in the socialist period. After a period of stagnation within the "self-dissolving" of the Yugoslav development state, the Maribor industry underwent a "destructive destruction" under the radical restructuring policies. The de-industrialisation was, however, halted under the pressures of organized labour and state defensive and pragmatic interventionism. The latter enabled a partial reconstruction of Maribor's industry and its reconversion into a subordinated supplier in the international division of labor.

2 Methodology

We proceed in four steps. We first expose our theoretical background and then analyse the three mentioned dynamics of Maribor's industry and its changing roles in the (inter)national division of labour.

3 Results

3.1 Approaching de-industrialisation in post-socialist region

Whereas spatial (or regional) inequality has existed since ever, the concrete patterns of geographical inequality and unequal redistribution of economic activities are historically relative and dependent on the changing imperatives of the overall process of capital accumulation (Massey, 2007). The dynamics of the unevenness of economic landscapes depend, among others, on the changing roles these landscapes or territories have in the division of labour. The economic specializations of the regions vary in time. The changes in regional productive roles be seen as a succession of different "rounds" of investment and organization of economic activities. These "rounds" of investment produce a kind of layering effect in as much as "the geographical distribution of economic activity which results from the evolution of a new form of division of labour will be overlaid on, and combined with, the pattern produced in previous periods." (Massey, 2007, S51).

The transformation of the productive roles can take place incrementally or in the form of a radical change. Abrupt transformations often take place within crisis conjunctures. For our analysis, the crises of overaccumulation are especially important (Harvey, 2004). They manifest themselves as surpluses of labour and capital, which seem unable to be put together productively. i.e., in a profitable way. These surpluses can be absorbed or put back into the circuits of capital accumulation through different spatial displacements. The capital moves through different spaces of production to find new markets, new production capacities, new resources, and/or less costly social and labour arrangements. Such displacements often require interventions of financial and/or state institutions. With its regulatory capacity, financial powers, and strategic selectivity (Jessop, 1990), the state crucially shapes and intervenes in capital-labour conflict and hence impacts the concrete spatialized patterns of capitalist accumulation. Thus, it "is not just a manager but also a maker of uneven spatial development" (Peck, 2017, 9).

The 1970s structural crisis of "Fordist" capitalism and its expansion to the socialist region in the 1980s are good examples of an overaccumulation crisis, which pushed capital to expand to new (post-socialist) territories to restore profitability with the assistance of states and financial institutions (Harvey, 2004). Trying to liberate themselves from the dominance of imperialist forces, many countries of the so-called Global South and socialist bloc experimented with alternative development models after WWII. The socialist countries went in this regard the farthest. They implemented state property and central administrative planning – Yugoslavia went a step further by establishing social property and self-management, formally liberating labour not only from the bourgeois dominance but also from the dominance of the (socialist) state. In addition, socialist states also organized an alternative trade network to produce and exchange outside of the world market competition (Council for Mutual Economic Assistance, known as COMECON).

The industrialisation strategy and consequent structure of socialist economies echoed geopolitical, social, and class preoccupations. To secure independence in the context of a bipolar world, massive investment into the military industry and rapid industrialisation, downplaying consumerist needs, were considered necessary. In addition, investment choices had to conform to the promises of improving living standards for the population. "Whereas the reduction of production costs and hence higher profits were the main reasons for the decentralisation of the industrial production in capitalist countries, the politics of egalitarian regional development prevailed in the context of the socialist economy; such a policy assured to each places similar possibilities for development" (Slavec, 1995, 173). Already in the mid-1960s, the alternative investment-based and import substitution strategies started to reach their limits. The countries of the world (semi-)periphery, including Yugoslavia, overcame more or less severe stagnation during the 1970s mainly by relying on cheap dollar-denominated loans. The foreign private credits were not, however, used to upgrade the industrial basis and to reduce dependency on technological imports. Therefore, socialist economies were generally characterized by a heavy emphasis on industry, the production of capital, and military goods, while financial, business, and consumer services were mostly rudimentary. Large plants taking advantage of the economies of scale would prevail in the overall production structure. (Chang & Nolan, 1995)

Relying on foreign finance made the world (semi-)peripheries even more dependent on the changing class-power balance in the capitalist heartland. After the neoliberal

U-shift in the American state administration and a radical increase of interest rates by the US Federal Reserve at the end of the 1970s, many countries from Latin America, Africa, and Eastern Europe, including Yugoslavia, found themselves in a severe crisis. The outbreak of the debt crisis in the early 1980s brought these economies under a more or less direct supervision of the International Monetary Fund (IMF). In exchange for its financial assistance, the IMF (together with the World Bank) imposed and/or promoted special economic policies following the Washington Consensus. In contrast to Fordist market protectionism and Keynesian macroeconomics, the Washington Consensus was against state interventionism, domestic demand, and a self-sustainable recovery. Towards the end of the 1980s, when the restoration of capitalism in Eastern Europe became just a matter of time, the policies initially imposed/advised to indebted countries were "exported" with slight modifications to the socialist region. The dominant agenda focused on price and trade liberalisation, restrictive fiscal policy, privatization of state and socially-owned enterprises, the introduction of a convertible currency, and a pursuit of a tight monetary policy. The countries were supposed to reorient their trade and investment networks away from COMECON to the markets of the central European states (Gowan, 1999, 191; Myant & Drahokoupil, 2011, 84-90). These policies were supposed to "correct incentives for economic agents [and] allow competition to accomplish the necessary 'creative destruction' of industries and enterprises bequeathed by the old system." (Chavance, 2011, 161)

Yet, anything close to Schumpeterian "creative destruction" took place. Instead, in the early 1990s, the Eastern European region experienced a double depressive shock resulting from the disintegration of "its" international trade and the collapse of domestic demand, production, and wages (Gowan, 1999, 200). Moreover, the dominant economic approach ignored lessons from past catching-up experiences. It downplayed the importance of institutional building before the start of economic liberalisation, the role of the state as a crucial developmental actor, and the fact that any sound industrial restructuring and upgrading need time and substantial (public) funding. In the context of post-socialist countries, coming from a system where the market played a subordinated role and where industrialisation followed social and geopolitical goals (instead of profit-oriented ones), all these dimensions played an even bigger role (see the contributions in Amsden et al., 1994; Chang & Nolan, 1995). "[Despite large and well-documented problems [...] the [socialist] economies had [...] important common strengths which could form the basis of rapid progress[.] Relatively simple institutional changes could release a large advance in economic performance provided they were put into effect in the correct political-economic setting." (Chang & Nolan, 1995, 33)

In fact, given the scarcity of (private) capital and financial resources in (post-)socialist economies, the Washington Consensus for Eastern Europe implicitly promoted foreign capital and demand as the main drivers of economic restructuring and recovery. It had a clear class and imperialist dimension in as much as it encouraged a massive devaluation of "Eastern" productive capacities, skills and knowledge and made available large pools of cheap labour and industrial plants to the emerging multinationals and core European states. Eastern Europe was supposed to take a subordinated role in the new, "neo-liberal" international division of labour.

The Washington consensus was not, however, merely externally imposed. "[N]eoliberal strategies were outcomes of local agency and struggles, in which external support for neoliberalism was not a decisive factor." (Drahokoupil, 2008, 88)

By the end of the 1980s, the ruling power bloc composed of leading economic, cultural, and political actors accepted (neo-)liberalism and embraced the idea of capitalism as a new “common sense”. Nevertheless, the concrete pace and form of the neo-liberalisation of (post-)socialist space were diverse, depending on domestic class-power struggles, existing socio-economic arrangements, political setting, position on world markets, etc. Especially in the early 1990s, local debates crystallized around two broad approaches: on the one hand, the so-called shock therapy, promoting fast and simultaneous privatisation, stabilisation and liberalisation; and on the other hand, gradualism, which “did not necessarily mean opposition to the general agenda [but] its advocates gave various reasons for taking steps more slowly[.]” (Myant & Drahekoupil, 2011, 84)

In many countries, the policies resembled a mix of both approaches, where radical policies were implemented in one field, but slower reforms were undertaken in the others. The Slovenian case was quite special: in the late 1980s, the Slovenian economy went through a rather radical adjustment program implemented by the last Yugoslav government; in the 1990s, the country became known for its gradualism, neo-corporatism and greater state involvement in the economy (Drahekoupil, 2008, 87-113; for the Yugoslav case see below). Any notion of “Slovenian exceptionalism” should be, however, considered cautiously. Compared to other countries from Eastern Europe, the trajectory of Slovenia is indeed specific – as it was already during the socialist, Yugoslav times. However, compared to, for instance, China’s evolutionary and dual approach to transition, Slovenian gradualism appears rather modest in its attempt to challenge the dominant Washington Consensus. Chinese governments allowed for a long-term cohabitation of private, state, and collective ownership as well as of a planned, non-profit production with a market-based one. They also considered strategic state protectionism and interventionism, including price-setting mechanisms, as essential tools for a successful breakthrough in the world markets (Chavance, 2011, 2017; Chang & Nolan, 1995)

The concrete patterns of neoliberal transition varied, however, not only between countries but also within them. Birch and Mykhnenko (2009, 370-374) distinguish between three patterns of industrial restructuring: 1) path destruction, entailing severe de-industrialisation and downgrading of economic activities and skills; 2) path reconstruction, including a slight overturn of the de-industrialisation with the expansion of the high-tech manufacturing and services, often by relying on foreign capital output and 3) path creation, comprising a total break from an industrial past, combined with a rise of high-tech and low-tech services. In the following, we analyse how the restructuring of the Slovenian economy under the Washington Consensus impacted the patterns of industrial development in Maribor.

3.2 Stagnation within a self-dissolving socialist developmental state

Maribor was for a long time the major industrial centre within the political space of the nowadays Slovenia. The first manufacturing plants were constructed already during the Austro-Hungarian Empire. After suffering from significant losses and damages during WWII, Maribor’s civil and industrial infrastructures were rebuilt thanks to significant state and popular efforts and the town soon became one of the industrial centres of socialist Yugoslavia (Prinčič, 2010). However, the role that the Maribor industry played within the Yugoslav division of labour also increased the region’s vulnerabilities towards the 1980s debt crisis and the restructuring under the Washington Consensus.

The decisions of the Yugoslav leaders to build socialism in one country, i.e., without strong Soviet support, in the bipolar geopolitical order reinforced the antagonisms inherent to peripheral industrialisation in a post-war socialist state. "On the one hand, the Yugoslav state was to form the productive forces that should enable and build the base for a socialist society; on the other hand, the state was to wither away in preparation for a communist society. The consequence was a 'self-dissolving of the development state'" (Weissenbacher, 2019, 37-38). The start of this "self-dissolving of the Yugoslav developmental state" can be traced back to the crisis of the Yugoslav economy in the mid-1960s. In line with the interests of economic bureaucracy and richer republics, the Yugoslav leadership decided to enhance the role of market mechanism at the expense of planning and deepen the economic integration with capitalist states. In addition, the federal units (republics and provinces) were given quasi-state autonomy and became recognized as the prime units of economic life and development (Samary, 1988).

Economic liberalisation and state decentralization significantly impacted Yugoslav industrialisation. Instead of solidarity and cooperation, the competition for federal funds or foreign currency started to prevail between the federal units, while federal authorities did not dispose of any meaningful coordinating and supervising mechanism. Industrialisation of the federal units advanced without specialization and coordination on a federal level and enhanced the autarkist tendencies of the federal units. Their leaders increasingly aimed to develop an integrated production profile on "their" territory. This led not only to the multiplication of plants, often suffering from underinvestment, but also to the reinforcement of the inherited developmental and structural inequalities. Those regions and industries, which had established links to capitalist markets, could access foreign currency and, hence, technology. On the contrary, regions with predominantly traditional industries were rather tied to the Yugoslav and COMECON markets. To buy the necessary inputs from abroad, enterprises producing raw materials and intermediate goods and those supplying internal markets, were obliged to purchase foreign currency on local, highly priced exchange markets (Lampe et al., 1990, 95).

This structural divide between the industry and regions predominantly dependent on "socialist" markets and those having greater access to the capitalist markets also existed in Slovenia. Slovenia was the most industrialized region of Yugoslavia. After the mid-1960s "market turn," the regional inequalities between the Slovenian regions and related conflicts over redistribution expanded so much that the political leadership was forced to change its regional policy. The consequent adoption of a polycentric and decentralized approach significantly equalized the regions regarding infrastructure and industrial capacities. Nonetheless, "[e]conomic-social differences continued to exist, only they began to show in a different, more hidden way" (Lazarević, 2010, 28; Nared, 2007, 23-24). On the one hand, the Slovenian economy had the biggest share of manufacturing, which was already integrated into the supply chains of the growing European multinationals. Gorenje company, for instance, became an important player in European markets already before the 1980s (Lorenčič & Prinčič, 2018, 203-206). On the other hand, there were regions and industries that were much more dependent on domestic demand. Many enterprises from Maribor, such as the most important one, Tovarna avtomobilov Maribor (TAM), fell into this category. "TAM's trucks and buses were the transportation vehicles of choice for numerous companies and individuals throughout the country, while the factory was also a staple supplier of the

Yugoslav People's Army [...] It manufactured heavy-duty vehicles considered top-of-the-line on the domestic market." (Musić, 2021, 19)

In fact, the decentralized and polycentric industrialisation enabled Maribor to strongly diversify its production profile after WWII. By the end of the 1970s, 29 out of 33 industrial sectors developed in the Slovenia economy were also present in Maribor (Lorenčič, 2010, 209). Nevertheless, the core of the Maribor production remained entrenched in the traditional industry. The metal industry represented about 45 percent of industrial activities, the textile slightly less than 20 percent, and the electrotechnical industry almost 10 percent. Large industrial plants continued to predominate in the economic landscape. (Lorber, 1999, 15, 2006b, 64-65). By the 1970s, the first signs of the crisis of the Maribor industry started to appear (Lorber, 2006b, 65). As already mentioned, more than 70 percent of all industrial plants were established before WWII. These plants massively needed renovation and restructuring. However, the region chronically lacked investment – despite significant inflows of foreign credits fuelling the Yugoslav's external debt. In fact, in relative terms, investment even started to fall after the turn of 1970 and did not suffice to improve the technical, technological, and organizational capacities of the companies (Slavec, 1995, 173). The Maribor industry soon started to struggle with outdated and obsolete technology and entered a phase of stagnation (Lorber, 2006b, 65).

This underinvestment could be partly attributed to the weakness of the Party's and state's policies. While regional policies significantly improved with a polycentric and decentralized approach, no major modification occurred regarding the sectorial preferences. The five-year plans after 1970 focused especially on the "development of primary production (especially energy and raw materials), higher investment in infrastructure, tertiary sector (catering and tourism) and domestic science." (Prinčič, 2002, 71) Moreover, in line with the logic of the "self-dissolving of the developmental state," the leading Party and state actors also transferred the responsibility and capacities for restructuring to the enterprises themselves, downplaying the structural inequalities between the industries and sectors. "The planners of economic development in Slovenia predicted that the enterprises would by themselves divert part of accumulation for technological progress." (Prinčič, 2002, 71)

Yugoslav socialist industrialisation had, therefore, ambiguous effects on Maribor: on the one hand, Maribor became one of the main providers of the basic industry products for domestic markets; on the other hand, the long-term underinvestment made the Maribor industry badly prepared for the outbreak of the 1980s crisis. While Maribor's industrial plants required massive restructuring and upgrading, both demanding systematic state interventions, time, and (public) funding, the dominant policies considered neither of them.

3.3 "Destructive destruction" under Washington Consensus

The Yugoslav industrialisation without specialization and coordination provided a background for the massive devaluation process of the Maribor region that started during the 1980s debt crisis. Already at the end of the 1970s, the federal government of V. Djuranović enacted severe austerity measures to reduce the exploding current account deficit. After 1982, when the M. Planinc federal administration declared a moratorium on debt repayment and turned to the IMF assistance, debt management became a mechanism for integrating the Yugoslav territory into the emerging global capitalism. Cuts in public expenditures became increasingly accompanied by tight(er)

monetary policy, market-oriented reforms, and subsidies for export-oriented companies. By strongly reducing domestic investment, consumption, and production, these policies prolonged and deepened the initial economic crisis while securing massive money outflows for international creditors. For the Yugoslav economy, the 1980s were a lost decade that ended in an acute collapse of economic output, exploding unemployment, and hyperinflation (more on Yugoslavia under Washington Consensus in Podvršič, 2023, 61-96).

The neoliberal restructuring of Yugoslavia provoked the unprecedented mobilization from below. Workers protested against the reinforcement of the market mechanism and the dismantlement of self-management rights. The strikes progressively expanded from the poorer regions to the entire country. In 1987, when B. Mikulić took over the federal government, 290 thousand workers had joined the strikes - compared to 11 thousand in 1982 (Jovanov, 1989, 35-40). Workers also radicalized their demands and actions. They increasingly addressed not only the managers of "their" companies but also political representatives and government bodies. Also, during their marches, they moved from the factories to occupy the whole streets and city centres. As one of the greatest industrial sites of Yugoslavia, Maribor became the place of one of the most radical workers' mobilization. In the summer of 1988, "the subdued blue-collar anger suddenly burst out into the open as Maribor became the first large city in Yugoslavia to experience a four-day long, citywide industrial action. Between June 21 and 24, all the major plants in the city joined in a united protest and occupied Maribor's central square." (Musić, 2021, 226-227) Workers of the giant TAM, which was struggling for some time to pay (due) wages, were at the epicentre of this unprecedented movement. In their speeches, workers complained about the wage and income injustice. They targeted not only professional politicians and experts in government administrative bodies but also turned hostile towards the lower-paid staff and service personnel. Unprofitable companies continuing to produce and distribute wages, as well as producers receiving export grants, did not receive much solidarity either (Musić, 2021, 229-230).

In fact, in the 1980s, it became clear that the self-management system prevented workers from collective organizing – the workers' councils were mainly designed to perform a managerial function in the operation of firms. In addition, there was no institution that would directly integrate workers' representatives in federal decision-making – the Chamber of Associated Labour was not integrated into the Federal Assembly, the highest legislative body in the country (Magaš, 1993, 105; Musić, 2021, 54-60). Workers, despite their extreme militancy, failed to form a broad movement that would derail the Yugoslav leadership's aim to restore capitalism and reintegrate Yugoslavia into the world markets with Washington Consensus policies. Workers, especially from more industrialized regions, considered that establishing independent trade unions defending direct workers' interests would be the most viable and meaningful solution. Socially-oriented struggles based on labour issues were, therefore, progressively taken over by rising mobilizations on national(ist) basis and separatist movements and political actions (Centrih, 2016, 343).

Throughout 1989, the authorities of the federal units adopted amendments to "their" constitutions, re-introducing a private property regime and redistributing political power among the republics in line with the principles of asymmetrical federation (Prinčič & Borak, 2006, 599). In parallel, the federal government of A. Marković started to prepare a radical anti-inflation program. "With the advice from the Bretton Woods institutions and Western academics, the central Yugoslav government reacted

to hyperinflation with a big bang in mid-December 1989 [...] The main elements were fiscal stringency, a freeze on nominal wages, a freeze on the exchange rate after the initial maxi-devaluation and ensured convertibility for foreign exchange inflows to attract remittances.” (Amsden et al., 1994, 34)

The Slovenian political leadership initially pursued “Marković’s” program, but soon departed from the prescribed policies (Mencinger, 2004, 71, 75). Nevertheless, the first “independent” government followed the anti-state principles of the Washington Consensus. Most of the economic sectors “experienced the main shock of foreign trade liberalisation [...] by 1993.” (Majcen & Kamiński, 2004, 139-140) As late as 1992, the state budget did “not envisage any resources for the financial restructuring of banks and enterprises, for covering losses [...] and even resources [for] preserving the social security net [were] spent rather on hidden and passive subsidies of enterprises” (Borak, 1993, 53). The dominant policy added a new shock to the one provoked by the disintegrating and collapsing “socialist” markets, especially the Yugoslav ones. Between 1989 and 1992, GDP shrank annually by over 5% on average, industrial production by almost 9%, and investment by over 10%. Whereas as late as 1988, Slovenia recorded practically full employment, by 1993, the official unemployment rate exceeded 15 %. Under the pressures of the crisis and still high, though substantially reduced inflation, real wages also collapsed (for the data sources and other macroeconomic indicators, see Podvršič, 2023, 108-110).

Fiscal conservatism and simultaneous trade liberalisation exacerbated the inherited problems of corporate-banking indebtedness, regardless of the actual origin of financial difficulties. Cashflow difficulties and falling demand forced companies to expand their sales to the leading EU countries, and regardless of earned profits (Bole, 1991, 31-34). Yet, the capacities of companies and regions to adapt to rapidly changing conditions, survive the market shock, and reorient to “Western” markets varied significantly. Largely, these capacities depended on the inherited economic conditions and structural position of the companies within the (past) Yugoslav division of labour. The companies that were primarily connected to the Yugoslav and/or other socialist markets would need time, finance, and gradual opening to be able to build on the inherited capacities, skills, and knowledge. However, in the early 1990s, “the essence of restructuring consisted of ‘firing and retiring,’ combined with ad hoc government interventions in cases of large, troubled enterprises.” (Mencinger, 2004, 75)

Thus, the Maribor industry was hard hit by the crisis and radical restructuring under the Washington Consensus. Between 1989 and 1991, the industry shares rapidly shrank from over 60 percent to about 45 percent and continued to fall. Almost all companies, including the major giants of the car and textile industry, entered into a severe crisis (Lorenčič, 2010, 211-212). Increasing difficulties were experienced not only by already troubled companies, such as TAM, but also by such successful companies as Metalna. As late as 1989, Metalna recorded more than 53 million dollars of profits thanks to the exports of investment equipment on international markets (Lorenčič & Prinčič, 2018, 209) According to the survey realized by Slavec (1995, 178), the loss of the Yugoslav markets and the outdated machinery were by far the most significant reasons for the problems Maribor’s companies encountered at the beginning of the 1990s. Economic liberalisation and insufficient competitiveness were also important. However, only a few companies assigned economic problems to the bad quality of products. This indicates that at least some companies could have survived had the state leaders been less inspired by the anti-statist Washington

Consensus and taken greater lessons from what Chang and Nolan (1995, 33) call "the East Asia path of state-guided, experimental transition away from the planned economy."

The output slump led to a rapid fall in industrial employment. Between 1987 and 1991, each fourth employee basically left the industry. Consequently, unemployment went up rapidly. In 1987, before the start of the radical restructuring, there were 2166 unemployed workers; by March 1992, a stunning 9981 people registered at the unemployment office (Lorenčič, 2010, 213). Rapid de-industrialisation was, of course, not unique to the Maribor region. Other industrial centres also experienced a fall in production and employment. However, in Maribor, this process was much more intense: industrial employment shrank by about 15 percent on average in Slovenia; in Maribor, it went down by more than 26 percent between 1987 and 1991 (Lorenčič, 2010, 213). The unemployed from Maribor represented more than 10 percent of all unemployed in Slovenia. Between 1989 and 1993, "[t]he proportion of unemployed varie[d] between 22 percent and 23.9 percent, while the national average [was] about 14 percent[.] The proportion of long-term unemployed [was] 68.1 percent, which [was] 10 percent above the national average." (Lorber, 1999, 153)

Interestingly, however, the youth represented almost half of the unemployed (45 percent) and the seekers of their first employment about one-fifth (21 percent) (Slavec, 1995, 176). This suggests that the rising unemployment was mainly an indirect consequence of de-industrialisation. The crisis strongly deteriorated the capacities of the Maribor industry to provide new jobs, especially in the industrial sector, which had traditionally secured jobs for a major part of the labour force; at the same time, the service sector expanded only slowly. Therefore, the job opportunities for the first and young job seekers were very limited (Slavec, 1995, 176).

As observed by Drenovec (2013, 36), "[t]he major part of the transition's liberalisation took place over the night, as a shock, after 1991 there was a threat of an economic and social break-down [...] Characterizing this period and these policies with 'gradualism' is the biggest possible stupidity." This is especially true when one looks at the Maribor industry where nothing close to "creative destruction" and sudden outburst of (high-tech) services took place after the sudden liberation of market forces from the alleged bureaucratic chains. Instead, under the radical restructuring and the push towards export reorientation, Maribor experienced a "destructive destruction"; many liabilities were destroyed, and hardly any new assets were created.

3.4 Subordinated reintegration with selective reconstruction and defensive state interventionism

According to the proponents of the Washington Consensus, a drastic reduction of industry was necessary to allow for the expansion of the underdeveloped service sector in socialist economies. However, the existence of modest services "neither explains the slump in industrial output – [which was] not caused by workers flooding into new service[s] – nor does it justify it: the service sector can grow without causing or requiring [a] decline in the industry." (Gowan, 1999, 204) Instead, the restructuring of Eastern Europe and especially of those regions that were exposed to rapid de-industrialisation should be seen in the light of the fact "that there was no need for this industrial output in East since Western Europe's economy was already saturated with overproduction in one sector after another." (Gowan 1999, 204) The

argument concerning the over-industrialisation of the socialist economies was used as a cover to orchestrate a massive devaluation of productive capacities and skills in the region, with the support of international financial organizations, core states, and the political leaders of the re-emerging capitalism in Eastern Europe.

Post-socialist state leaders, however, did not act in a social vacuum. This is especially true in case of Slovenia, which inherited from Yugoslavia not only an important industrial base, but also a combative working class. Since the late 1980s, the workers' mobilization constantly grew. In March 1992, at the height of the crisis, the government unilaterally announced a wage freeze. Newly established independent trade unions reacted decisively and launched a general warning strike that practically paralyzed the country for several hours. Workers from most troubled enterprises formed the most combative sections of the movement. The strike provoked a political shock that forced the first "independent" government to resign and sent a clear sign to all future state leaders that labour demands and social issues should be considered (Stanojević, 2012). The newly elected government not only increased the wages and agreed to establish a tripartite Economic and Social Council. Also, the state started to intervene more actively in the restructuring of troubled companies.

In fact, the privatization legislation adopted in 1992 divided companies into several groups. The largest and most troubled enterprises were placed under the control and financial assistance of the Development Fund, which also took over the restructuring of large corporations into smaller units and the dismissals of workers. After the restructuring, enterprises would go into the privatization process. In addition, in 1993, a whole set of measures seeking to reduce competitive pressures on troubled firms was adopted (Tajnikar, 2001, 333-334). The Fund's interventions were also important for Maribor. In fact, after the initial destructive destruction, the pattern of industrial restructuring changed in favour of partial reconstruction and upgrading.

In the 1990s, the de-industrialisation of the Maribor economy continued, but at a much slower pace. By the end of the decade, the industry represented less than a third of the total economic income (Lorber, 2006b, 99). While the metal industry went through the most radical shock at the turn of 1990, by the middle of the decade, the textile sector entered a major crisis as well. Almost half of the unemployed in the 1990s were represented by women with a rather low(er) education (Lorber, 2006b, 67). The textile producers were probably among the worst off under the neoliberal integration of Eastern Europe into global markets. They could not compete with low social and environmental standards of Southeast Asian countries, which became the main suppliers of world textile production. In contrast, multinational capital from the (personal) car sector was among the first to rush into the region and take advantage of the relatively cheap and qualified labour force and the geographical proximity. French Renault became the crucial employer of the Novo Mesto region as early as 1991 (cf. Tuldor & Ruigrok, 1998, 3-4, 26).

Maribor, however, was not on the list of priorities of European multinationals. Instead, the state needed to intervene in the restructuring of the town's industrial giant, TAM. In 1992, the state became a partial owner of the company's assets. The company underwent significant restructuring, comprising several ownership changes, debt rescheduling and reprogramming, reorganization into a holding, etc. The government even provided some subsidies for starting the production. These efforts were, however, unsuccessful. In 1996, TAM entered into long and painful bankruptcy proceedings (Lorenčič, 2010, 223-225). The Development Fund now launched a new

program to revive the industrial zone where TAM's facilities were located. The new Business and Production Zone Tezno soon became one of the fastest-growing economic centres on the national level (Lorenčič, 2010, 226.) In contrast to the experiences of other Eastern economies, whose production facilities ended under foreign control, many new and mostly domestically owned companies registered in the zone. The zone's industrial profile became more diversified. Commerce and vehicle repairs represent about one-third of the zone's activities, followed by manufacturing, especially from the metal industry (Lorber, 2006a, 102). Many companies started to produce "parts or ensembles for some of the biggest world car producers, such as Daimler Chrysler, Citroën, Peugeot, Ford, and Magna Steyr." (Lorenčič, 2010, 226)

With the restructuring of Tezno industrial zone, Maribor was reinjected into the circuits of international capital and profitability. It acquired a new role of supplier of finished and semi-finished products to manufacturing multinationals. Nevertheless, in the last decades, Maribor has been systematically losing its youngest and most educated labour force, while recording increasing shares of the elderly population. At the beginning of the 2000s, the aging index (ratio between elderly and youngsters) rose sharply to 142, well above the national average (96) and Ljubljana (115) (Horvat, 2015, 89). In the following years, this ratio worsened further. "[T]he city of Maribor, as the second largest city and university city, is losing its position in terms of the share of population with higher and high education. Besides Ljubljana, Novo Mesto, Nova Gorica, and even Murska Sobota surpass Maribor" (Horvat, 2015, 92) in this regard. According to Horvat (2015, 93), the lack of appropriate jobs is the main reason for such negative trends.

The economic recovery of Maribor, therefore, did not bring the expected social prosperity and development of qualified and decent jobs, either in the industry or services. In fact, the collapse of TAM and the following subordinated integration of the Maribor industry in the international markets were symptomatic of defensive and pragmatic state interventionism. The Slovenian state measures resulted mainly from the pressures from below and aimed primarily at securing social and/or political peace. Faced with market pressures and without genuine state industrial strategy, less advanced firms could mainly deal with their short-term survival, while their long-term prospects remained precarious and dependent on state help (cf. Myant & Drahokoupil, 2011, 221). As also noticed by Lorber (1999, 153), "[s]tate subventions were used to restore liquidity and to pay the wages of employees. The companies fell prey to the so-called 'wait and see' effect." The governments also introduced several legislative packages to tackle regional disparities – however, at least until the end of the 1990s, the regulations mostly dealt with demographic issues, while the structural and economic asymmetries were downplayed (Nared, 2007, 24–28).

Maribor did escape the faith of many old traditional industrial centres, which transformed under neo-liberalism into degraded "ghost towns." Its reintegration into global networks of production followed the general logic of subordinated integration of the Slovenian economy into global capitalism. While in certain regions, the new role of the Slovenian economy in the international division of labour brought new social and economic dynamism (albeit a dependent one), this was not the case in Maribor. Once the centre of socialist industrialisation, Maribor acquired a secondary role not only on the international level, but also on the national one.

4 Conclusion

The changing insertion of the Slovenian economy into the international division of labour during the country's neoliberal transition to global capitalism had "implications for moving landscapes of profitability, employment patterns, social regulation, wealth, and socioeconomic calculation." (Peck, 2017, 2) Looking at the initial phase of the transition from the perspective of Maribor, one could see that it was all but "smooth and peaceful." Maribor was not only a site of intense labour struggles and class conflicts over the extent and depth of the neo-liberalisation of the Slovenian economy and, consequently, of the Maribor industry. Also, the allegedly successful and quick reorientation of Slovenian production on the "West" could only happen based on a massive devaluation of Maribor labour and capital. The entailed and often ignored social and economic costs of the Maribor's "transition" might have been justified had the initial industrial "destructive destruction" been followed by an industrial path creation towards higher skill and technology intensity and decent jobs with rising wages. Yet, nothing close to this happened.

Approaching the Slovenian transition from a regional perspective brings important insights for studying the impacts and patterns of neo-liberalisation. Focusing merely on national macroeconomic indicators might downplay significant regional differences in the depth, pace, and form of the neo-liberalisation of national economies. By contextualizing Maribor's de-industrialisation within the broader socio-historical trends, one can better understand the class logic behind it. As we saw, the demise of Maribor industrial giants had a lot to do with the imperialist and class character of the Washington Consensus, seeking to reinforce the power of multinational capital and subordinating post-socialist economies to the core states. The (partial and selective) collapse of the industrial capacities could not be merely attributed to the alleged inefficiency of socialism and the incapability of self-managed companies to adapt to market conditions.

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Povzetek

V prispevku proučujemo prestrukturiranje mariborske industrije v času post-jugoslovanske "tranzicije", ko sta se slovensko gospodarstvo in država ponovno vključila v globalni kapitalizem. Naša analiza je časovno omejena predvsem na osemdeseta in devetdeseta leta prejšnjega stoletja, ko je bilo prestrukturiranje gospodarstva najbolj radikalno. Različni raziskovalci so že proučevali procese (de)industrializacije mariborske regije v omenjenem obdobju. Te analize dopolnimo tako, da postavimo različne vzorce industrijske dinamike Maribora v širši družbeno-zgodovinski kontekst. Tega so zaznamovali strukturna kriza kapitalizma, vzpon neoliberalizma in prestrukturiranje post-socialističnih držav s politikami Washingtonskega konsenza.

V prispevku nas tako zanima, kako in na kakšen način je proces neoliberalizacije slovenskega gospodarstva s politikami Washingtonskega konsenza vplival na industrijsko dinamiko Maribora. Naša analiza obsega štiri dele. Najprej razgrnemo naša teoretska izhodišča, ki kombinirajo uvide iz razprav historično materialistične ekonomske geografije in politično-ekonomskih analiz o odvisni integraciji postsocialističnih držav v globalni kapitalizem. Nato ponudimo analizo dinamike in vzorcev transformacije mariborske industrije od osemdesetih let dalje. Proučevano obdobje smo analitično zamejili na tri pod-obdobja: 1) obdobje stagnacije mariborske industrije v času jugoslovanskega socializma in »samo-odpravljanjem« razvojnih zmožnosti jugoslovanske države; 2) obdobje »uničevalnega uničenja« mariborske industrije v času restavracije kapitalizma in preusmeritve slovenskega gospodarstva na »zahodne« trge pod vplivom radikalnih politik Washingtonskega konsenza; 3) in nazadnje, obdobje delne industrijske obnove in ponovne vključitve mariborske industrije v mednarodne tokove kapitala, dobičkonosnosti in izkoriščanja delavstva, ki se je odvila v sklopu začetnega razvoja periferne kapitalizma v Sloveniji.

V prispevku trdimo, da lahko proces (delne in selektivne) deindustrializacije mariborske regije najboljše razumemo kot proces obsežnega razvrednotenja mariborskega delavstva in »kapitala«, ki je potekal v času vzpostavljanja globalnega kapitalizma in vključevanja teritorijev, področij in sistemov proizvodnje, ki so bila dotelj zaščitena pred pritiski svetovne konkurence in dobičkonosnosti, v mednarodne tokove kapitala. Ta proces se je odvil ob znatni pomoči tujih in domačih vlad ter mednarodnih finančnih institucij, ki so (post-)socialističnim državam vsiljevale in/ali svetovale, da »svoja« gospodarstva prestrukturirajo skladno s smernicami Washingtonskega konsenza. A temelji za vzpostavitev tega procesa razvrednotenja so bili vzpostavljeni že v času socializma. »Samoodpravljanje« jugoslovanske razvojne države je na eni strani omogočilo, da je mariborska industrija zasedala osrednje mesto na domačih, jugoslovanskih trgih, na drugi pa jo mariborsko regijo naredila izjemno ranljivo za dolžniško krizo, s katero se je jugoslovansko gospodarstvo soočalo v osemdesetih letih.". Medtem ko bi stagnirajoče mariborsko gospodarstvo potrebovalo čas, znatna investicijska sredstva in premišljeno ter načrtno vodeno državno politiko, je Washingtonski konsenz dajal prednost fiskalnemu konservatizmu, liberalizaciji in privatizaciji ter hitri preusmeritvi v izvoz in na »zahodne« trge. Ta agenda je spodbujala vključevanje (post-)socialističnih gospodarstev v globalni kapitalizem na podrejen, odvisen način.

Četudi so slovenske vlade ravnale pragmatično in se prilagajale dogajanju na »realnih tleh,« pa so njihove ekonomske in socialne politike vseeno povečini ostale zveste smernicam Washingtonskega konsenza. Začetna neoliberalizacija slovenskega

gospodarstva se je tako na ravni mariborske industrije manifestirala v obliki "uničevalnega uničenja", ki je temeljilo na hitrem upadu industrijskega proizvodnje in hitri rasti brezposelnosti. Pod pritiskom delavskih bojev so bili politični odločevalci prisiljeni, da začetne »ad hoc« ukrepe zamenjajo z bolj sistematičnimi posegi v prestrukturiranje mariborskega gospodarstva. Obdobju industrijske stagnacije in uničevalnega uničenja je tako sledilo obdobje delne industrijske obnove in nadgradnje, s katero je mariborska industrija pridobila novo, podizvajalsko, vlogo v mednarodni delitvi dela.

Maribor se je tako izognil usodi mnogih starih tradicionalnih industrijskih središč, ki so se v obdobju neoliberalnega prestrukturiranja spremenila v degradirana »mesta duhov«. Vseeno pa integracija mariborskega gospodarstva v globalni kapitalizem ni pripeljala do kakšnega temeljitejšega tehnološkega in inovacijskega preboja ali pa omogočila družbeno in socialno oživitev mesta. Državne intervencije so bile predvsem defenzivne in pragmatične narave ter so imele bolj malo skupnega s prodornimi praksami državno vodene industrializacije, ki so se zoperstavljale načelom Washingtonskega konsenza. Delna obnova mariborskih industrijskih kapacitet je bila skladna s širšim procesom neoliberalizacije slovenskega gospodarstva in njegovega podrejenega vključevanja v mednarodne sisteme proizvodnje pod nadzorom multinacionalk. Mariborska industrija, ki je bila nekoč center socialistične industrializacije, je sedaj prevzela vlogo podizvajalke, ki dobavlja vmesne in končne dele velikim multinacionalkam na podlagi cenovne konkurence. Še več, kljub delni gospodarski obnovi je Maribor postal sinonim za področja, ki se spopadajo s kroničnim pomanjkanjem kvalificiranih in dostojnih delovnih mest, izseljevanjem mladih in nadpovprečnim staranjem prebivalstva.

