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## **‘You Can’t Weed Out Corruption’: Railway Workers’ Assessments of the State in Post-Socialist Serbia**

In this article, I analyze how railway workers in a small town in Serbia assessed what they perceived as the proliferation of corrupt practices in their company and in the state. Corruption has been both a response to the changes of socioeconomic relations and constitutive of those changes. Narratives about corruption reveal the material bedrock of socioeconomic changes since the 1980s as well as the work that people have to invest in making sense of and adapting to those changes. The state figured explicitly and implicitly in these narratives as an object of criticism. Over the past three decades, the Serbian state has changed as much from above—due to transnational pressures and economic problems it was facing—as from below—through practices of individuals enmeshed in state structures. The collapse of state provision and increasing social inequality made corrupt practices crucial for ensuring redistributive state functions and creating new avenues for capital accumulation. In these circumstances, some corrupt practices (such as smuggling) are seen as necessary while others (such as the mismanagement of the company) are condemned as superfluous or outright criminal based on the difference between basic material provision and one’s enrichment to the detriment of others.

*Key words:* corruption; the state; railway workers; managers; Serbia.

### **„Корупцију не можете искоренити“: ставови железничких радника о држави у постсоцијалистичкој Србији**

У овом чланку анализирам како су железничари у једном малом граду у Србији оцењивали оно што су опажали као умножавање коруптивних пракси у свом предузећу и у држави. Корупција је одговор на промене социоекономских односа, али уједно представља и конститутивни елемент који доприноси тим променама. Наративи о корупцији откривају материјални темељ социоекономских промена од 1980-их, као и рад који људи морају уложити да би нашли смисао у тим променама и прилагодили им се. Држава је играла експлицитну и имплицитну улогу у тим наративима као предмет критике. У последње три деценије, српска држава се мењала подједнако одозго – због транснационалних притисака и економских проблема са којима се суочавала – и одоздо – праксама појединаца и појединки уплетених у државне структуре. Колапс државног подмиривања потреба и повећања друштвених неједнакости учинили су да коруптивне праксе постану кључно важне за обезбеђивање редистрибутивних државних функција и стварање нових канала за стицање капитала. У тим околностима, неке коруптивне праксе (попут шверца) прихватају се као неопходне, док се у исто време друге (попут лошег управљања

предузећем) осуђују као сувишне или потпуно криминалне на основу разлике између простог материјалног подмиривања потреба и нечијег обогаћивања на штету других.

*Кључне речи:* корупција, држава, железничари, шефови, Србија.

## Introduction

The first conversation I had in Zaječar was with Miroslav, a freight transport worker of Serbian Railways (*Železnice Srbije*, henceforth the Railways), who claimed that he had been demoted because he had been “at war” with the management.

“I was at a meeting with the management (*poslovodstvo*) and I told them that they were lying. They were very offended because I was a stationmaster at the time, like I was theirs, I can’t attack them.... So, then they replaced me ... technically, I was declared redundant. They kept me like that for a year, and then they finally gave me this post,” he said.

Miroslav was one of the most embittered workers I spoke to. He was telling me about numerous instances of mismanagement and ignorance in the railway company, referring to management as pests (*štetočine*) and criminals (*zločinci*). Miroslav was far from being the only one to point out those things; most of my interlocutors agreed, even if they did not necessarily use such a strong language. I spoke with Miroslav during my 2014 research on nostalgia and apathy among railway workers in Zaječar. My other interlocutors included blue-collar workers, local and regional managers, and a union leader.<sup>1</sup> Most of them were between the age of 40 and 55, had between 20 and 30 years of experience in the Railways, and earned monthly salaries of between 200 and 500 euros. Although almost all of them belonged to a union, only one (apart from the union leader) had had an active role in union affairs. I conducted limited participant observation in the workplace.

In this paper, I analyze my interlocutors’ stories about corruption (*korupcija*), or what they otherwise called theft (*krađa*) or malfeasance (*malverzacija*). I consider corruption to be a wide set of phenomena that are often deemed illicit—embezzlement, petty theft, smuggling, among others—which Olivier de Sardan (1999, 26) calls the corruption complex. Anthropologists have noted that definitions of corruption and legitimate market behavior stem from specific normative understandings of law, the state, and the market (Elyachar 2005, 141). However, practices that can be designated as corrupt are ubiquitous. They proliferate on the margins of the state (Das and Poole 2004, 20-21), but they could just as well be understood as conceptually and empirically related to the state form itself (Anders and Nuijten 2007, 12).

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<sup>1</sup> I also interviewed family members of some workers: a doctor in what used to be a clinic for railway employees, a clerk in the state employment agency in Zaječar, and a worker from the copper mining and smelting company railway in Bor.

In the case of Serbia, Mikuš (2016) has shown important continuities in the understanding of the public sector as corrupt since the socialist period. Most recently, this discourse has been instrumentalized to push for a strong neoliberal agenda. His interlocutors, (aspiring) middle class individuals embedded in the Serbian NGO sector, have been among those who have strongly criticized corruption in the public sector but they were not alone; lower class people who perceive themselves left out of the networks of redistribution ("transition losers") harbor these views as well. Although these views are widespread, they are not unchallenged. The railway workers I spoke to belonged to the public sector and their views were more complicated than the hegemonic ideas about it.

I contribute to the understanding of how certain practices are labelled as corrupt while others are not by moving from moralistic aspects of the narratives about corruption to reveal the undertones of these narratives related to material interests in the context of the post-socialist changes in the company and the state. I do so by focusing on the constraints of my interlocutors' social location in the changing socioeconomic relations that have characterized Serbia since the late 1980s. In socialist Yugoslavia, a significant share of provision happened via non-market mechanisms, notwithstanding the political goal of creating a socialist market economy (Mikuš 2016, 221). Reliance on market provision increased under the conditions of the breakdown of state provisioning and state transformation due to the war and sanctions (Sørensen 2003). The increasing commodification pushed people toward corrupt practices to survive the period of profound socioeconomic change (cf. Olivier de Sardan 1999, 45-46), but at the same time, the proliferation of corrupt practices helped normalize this process of increasing commodification. Approached from this perspective, corrupt practices are not simply residues of the socialist system that prevent the state from becoming "normal" (Jansen 2015; Simić 2014). They are phenomena relevant for the negotiation of the relationship between individuals or collectives and the state in the conditions of changing patterns of state provision (Brković 2015). Positioning oneself through narratives about corruption entails adapting to the changes of the state and of political and economic relations, and at the same time making sense of and judging those changes. In what follows, I analyze my interlocutors' understanding of the state, the proliferation of corrupt practice, and the changes in the railway company as a result of the transnational pressures, and trace how they assessed new avenues for advancement in the Railways that brought about their increased sense of alienation from the company and the state. I argue that a stronger focus on the material constraints of a social location from which one engages in corrupt practices, or judges others for doing so, can reveal why some practices are construed as corrupt and why others are not.

## **The state and the railways**

When talking about corruption, my interlocutors also talked about the state, implicitly or explicitly; the judgment on the legitimacy of corrupt practices also entailed the judgment on the changes of socioeconomic relations and the state. The state figured in these narratives in three important ways. First, they explicitly criti-

cized the state as a backdrop against which corrupt practices took place. They often used the word *vlast* to denote a regime that includes all people in positions of authority—from the lowest bureaucrats to the national government (*Vlada*)—who are involved in governing and therefore have more or less bureaucratic power that translates into the disposition of resources. Second, although they did not use these terms, there was a widespread sense of alienation from the state, insofar as they understood the state to be a nexus that enables some people to economically advance to the detriment of others. Some people, such as state officials or the management of the Railways, benefitted from connections in that nexus. On the other hand, my interlocutors saw themselves as cut off from those networks. Finally, those who talked about the sweeping changes in the organization of the Railways perceived the representatives of the state as beholden to transnational organizations such as the European Union (EU) or the International Monetary Fund (IMF), which dictated how the Railways would be restructured and created novel opportunities for corruption. My interlocutors also used the word *država* to describe the actually existing Serbian state, which corresponds and partly overlaps with their notion of *vlast*. As opposed to the objectified notion of an ideal state,<sup>2</sup> when I use the word state I focus on the notion of *vlast* that provides a more fruitful ground for considering corruption.

The notion of *vlast* implies that the state is, among other things, a terrain of struggle for resources.<sup>3</sup> The authority to redistribute resources in various ways was evident in the Railways, which economically survived with the economic backing through subsidies, loan guarantees, and debt discharge from the Government of the Republic of Serbia.<sup>4</sup> The Railways was a public enterprise (*javno preduzeće*) indirectly controlled indirectly by the government, which was the founder and sole owner of the company.<sup>5</sup>

Some of my interlocutors made explicit metonymic links between the Railways and the state in a way that explained the condition in the company by

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<sup>2</sup> Most of my interlocutors shared a normative idea of a proper state (*država*)—a self-contained and self-governed entity that is characterized by its territory, population, and resources, and has a defined set of rules that are followed to ensure that people lead normal lives. It was especially prominent in claims that “we don’t have a state anymore.” An analysis of these ideas is beyond the scope of this article (see Greenberg 2011; Jansen 2015; Simić 2014).

<sup>3</sup> This notion of the state resonates with a strategic-relational perspective, which holds that “the state’s structural powers or capacities, their structural and strategic biases, and their realization do not depend solely on the nature of the state as a juridicopolitical apparatus—even assuming its institutional boundaries could be precisely mapped and prove stable” (Jessop 2008, 6). This theoretical approach emphasizes a relative autonomy as well as the links and dependencies of the state apparatus to its broader social environment. In other words, it recognizes the state not as an object or an actor in its own right, but rather a set of shifting social relationships between individuals within the state apparatus and wider society.

<sup>4</sup> *Politika*, a leading newspaper in Serbia, reported that the company was supposed to receive over €100 million in subsidies in 2014 to cover its losses, which were over €65 million in mid-2014 (“Monopolisti, a gubitaši” 2014).

<sup>5</sup> The company was transformed into a joint-stock company after my research, but the Government remains its sole owner with management rights.

pointing to the condition of Serbia and vice versa (cf. Simić 2014). The company was sometimes discussed in the media in a similar way—its problems were depicted as the problems of the public sector and thus the whole country (cf. Mikuš 2016). The company, like the country, was severely fiscally constrained. The subsidies it received were barely covering its losses. The minuscule investments it made were funded by foreign loans, for which the government had to provide guarantees. At the time of my research, the company was undergoing restructuring according to the recommendations from the EU by unbundling operations and forming separate companies for infrastructure maintenance, cargo transport, and passenger transport. Among the consequences of the restructuring was the increased number of managers in the company due the multiplication of administrative posts.<sup>6</sup> Despite the fact that the overall number of workers had been approximately cut in half between 2000 and 2014 to comply with the recommendations made by the IMF, critics pointed out that the number of workers was still too high. The company management tried to mitigate the bad relationship with the workers by sowing discord between labor unions and maintaining a paternalistic attitude and clientelistic networks.

The most important branch of the railway network in Serbia is the section of the Pan-European Corridor X that connects Croatia and Hungary with Bulgaria and Macedonia. Zaječar is a node outside of that branch of the railway network, which connects towns in Eastern Serbia with Niš, a regional center, and Prahovo, an important cargo port that handles a lot of cargo traffic on the Danube. The Zaječar branch is comparable to other branches that are regionally important but whose peripheral position and dilapidated infrastructure make their future insecure due to constant threats that they will be abandoned (e.g., International Monetary Fund 2016, 14).

## What is and what is not corrupt

“You can’t weed out corruption. Drug addiction, corruption, alcoholism—you can’t destroy them anywhere.”(Stefan)

Most of my interlocutors agreed that there was corruption (*korupcija*) in the Railways. The wide range of responses they gave when I asked them about it revealed different definitions of corruption. None of them volunteered to point out problems with their own occupation, but they would point out other occupations within the company – such as ticket inspectors – or structural positions – such as those higher up in the hierarchy. All of the definitions of the word *korupcija* encompassed large-scale corruption in the higher levels of the company hierarchy.

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<sup>6</sup> The process of restructuring has not been finalized. In August 2015, the public enterprise *Železnice Srbije* was converted into a joint-stock company *Železnice Srbije* with three new dependent companies (*Srbija Voz* for passenger transport, *Srbija Kargo* for cargo transport, and *Infrastruktura železnice Srbije* for infrastructure management). 3000 workers were laid off at the end of 2016, with more downsizing planned for the near future (“U ‘Železnicama’ tri hiljade radnika manje” 2016).

Few workers beside the low-level managers I spoke to defined corruption in this limited way and did not venture beyond such a definition. For example, Boris, a low-level manager, told me that there were no possibilities for corruption in the Zaječar junction because activities that created possibilities for corruption (e.g., strategically important government procurement) were performed on the national level. Some did not want to reply to that question because they personally had not witnessed corruption or because they did not have the arguments to make such a claim.

On the other hand, the majority of the workers I spoke to were quick to paint the picture with a broad brush. As Goran, a railroad engineer, said, "Well they even talk about it publicly. There is [corruption], of course there is, like everywhere else." Stanko, a ticket inspector, illustrated the situation in Serbia,

"Take any newspaper over the past five years and look at the headlines that report how much [money] was stolen (*ukradeno*) in different ministries and companies. If you tried to sum the amounts reported, you would lack the word to express such a big number. If the system here functioned properly and no one was stealing, Serbia could be as rich as Switzerland."

Stanko's view of the matter was widely shared. It rested on the idea that stealing (*krađa*) was omnipresent in the Railways and Serbian society in general. Corruption was usually understood as more limited in scope than stealing, but some of my interlocutors equated the two. For example, Zoran, assistant station manager, told me,

"There's been a lot of corruption in the past 10, 15, 20 years in this country, I'm telling you again. And everyone's stealing. Literally. Whoever can steal whatever, he steals it.... It's taken root in [people's] heads. Now I'm in a job, I intend to take care of myself because my time is running out, in two or three years' time, maybe four, I might not be here. It's in the consciousness of the people."

Some of my interlocutors could remember the problems in the company during the socialist period, including the cases of bribery or misallocation of the company funds. However, they usually explained the current predicament by pointing out the proliferation of corrupt behavior in the 1990s rather than by drawing connections with the period of socialism. As Dragan, a railroad engineer, told me, "In 1990, 1991, it was still great. And then it started in 1992 and after.... We did have a higher salary then, but that was, I don't know, it was a crazy period.... There was scum and dereliction everywhere.... Bedlam, that's how it was here as well." This enabled the more privileged ones to engage in shady businesses, creating what Dragan called "dirty pool" (*lov u mutnom*). In the recollections of my interlocutors, this was not limited to their company. For example, Jovan, a retired railway worker, told me about a credit union that he was a member of, "It was ruined, no one knew who the boss (*gazda*) was, who gave what, that's when certain bosses got rich in that way, and that's how the firm went under. A manager (*upravnik*) gets elected, and he's there as long as it's good for him, as soon as he's not, he takes the money, he goes away and he can't be found."

My older interlocutors told me that their salaries in this period could only be exchanged for 5 or 10 Deutsche Marks, if exchanged immediately upon payment, because of the rampant inflation at the time (Dinkić 1997). They could afford only small amounts of staples – some baking powder, a matchbox, or a small bag of coffee – and had to exhibit great ingenuity to survive (Bajić-Hajduković 2014). Smuggling was one of the phenomena that crystallized in the 1990s as a survival strategy. My interlocutors did not talk about smuggling as an opportunity for making profit. According to my interviewees, many people in Zaječar would smuggle cigarettes, sugar, or candy for their kids from Bulgaria. Jovan described what he had often done in the 1990s,

“[Y]ou had to, there was no fuel.... You go there with gasoline, and coming back, you put a bottle by the carburetor, a small tube so that you use gasoline as fuel, and in fact, I drove diesel oil in the reservoir, so that I can sell the diesel and earn some bucks to buy something, because you had to pay the utilities even though we were under sanctions, all of the charges (*dažbine*) had to be paid.”

When my interlocutors recounted their life histories as well as the history of the town and Serbia, they singled out the 1990s as a period of profound change (cf. Simić 2014). Many of the older workers remembered that there had been corrupt practices in the socialist period, but their narratives focused on corrupt practices from the 1990s.<sup>7</sup> Although they did not use these terms, it seems like they focused on the generalization of commodification that had served as a cushion against the shortcomings of the state in socialism (Burawoy 1985, 16) in the conditions of war (Sørensen 2003) and hyperinflation (Lyon 1996). In these circumstances, my interlocutors differentiated practices in the corruption complex based on how necessary they perceived them to be for basic provisioning. The practices that were vital for everyday provisioning – such as smuggling (Archer and Rácz 2012) – were thus seen as legitimate and even necessary (cf. Brković 2015; Hasty 2005; Jauregui 2014). On the other hand, corrupt practices of those higher up in the state hierarchy are usually understood as reprehensible because their goal was enrichment to the detriment of others (cf. Ries 2002, 294).<sup>8</sup>

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<sup>7</sup> My interlocutors' talked about the period of socialism as the “Golden Age” (Kojanic 2015; Spasić 2012), notwithstanding the problems of the self-management system and the fact that it was in crisis throughout the 1980s and that capitalism was restored in the late 1980s (e.g., Musić 2013).

<sup>8</sup> In 2007 Velimir Ilić, then Serbia's Minister for Capital Investment, commented on the high-profile case of “road mafia” in the public company “Roads of Serbia,” in which 53 people managed to embezzle at least €6.5 million (“Naplatne rampe kao rudnici zlata” 2007). Ilić said, “I explained to these people on the highway [sic] 15 days ago: ‘People, you're stealing too much! If you stole a little bit, we could tolerate you.’ [Ja sam ovima na autoputu objasnio pre 15 dana: ‘Ljudi, mnogo kradete! Da kraduckate pomalo, pa da vas tolerišemo.’]” (YouTube.com, 2015). This anecdote reveals the sliding scale of legitimacy that views corruption as legitimate as long as it does not exceed certain arbitrarily imposed limits.

## Placing the blame for corruption

You're dealing with the people who are, I call them – if the state existed, they would be called a joint criminal enterprise. And all of them would go to jail. Unfortunately, the state does not exist, the state is even behind that joint criminal enterprise. So you can expect the worst. (Miroslav)

Even though several of my interlocutors had been personally involved in smuggling, they did not consider such behavior objectionable. On the other hand, they often talked about managers as reprehensible, or outright criminal, and blamed them for the problems that the company had been facing. They saw the mismanagement of the company as a form of corruption that had been present in the Railways for a long time. Some of the practices of mismanagement had been happening in the socialist period. For example, several older workers told me that there had been a fee of 3% imposed on all financial transactions in socialist Yugoslavia and designated for the railway company, but the company had never received the money. Other examples they mentioned were the misallocation of the solidarity apartments (*stanovi solidarnosti*) and bribery. Embezzlement of the funds designated for railways had continued in the 1990s. Dragan told me,

“Back in the day, [transportation institute] CIP was created and it would obtain the money for the Belgrade-Subotica railroad, they would get the whole amount, build just 12 km and spend all the money. The following year that same CIP would get the whole amount for the Belgrade-Subotica railroad and they would make another 12 km.... And there has been no regime (*vlast*) that hasn't taken a good amount from the Railways.”

This nexus between the company itself and governmental agencies and ministries was seen as highly productive of corrupt behavior because it allowed political parties to broker deals to employ their members, especially in managerial positions. Employing unqualified people in managerial positions was seen as detrimental to the company. It replaced the trajectories for advancement within the company hierarchy that had been established in the socialist period, when the Railways had employed people with little or no education and allowed them to gain it through the work process to advance in the company (Kojanic 2015, 202-203). At the time of my research, people lacking experience got inserted into the higher rungs of the company hierarchy. As Mihajlo, a freight conductor, told me, “Higher education is necessary for employment, at least here in the Railways. They want to have managers (*šefovi*), as many as possible, and no workers.... These ... managers (*menadžeri*) have destroyed us.”

The word managers (*menadžeri*) used here is different from the other words my interlocutors used to designate managers (*rukovodioci*, *šefovi*, *poslovodstvo*). It refers to the specific qualification that many of the new managers have, namely a



degree in business administration (*menadžment*).<sup>9</sup> Business administration has been one of the fastest growing programs in Serbian universities. Even Zaječar, which is not a university center in its own right, has a privately owned faculty of management. My interlocutors were unsettled by new managers with such qualifications not because they were more educated, but because they saw them as not properly educated. They described these managers as incompetent, rude, lazy, and lacking organizational skills since they had not been educated through the work process itself.

For this reason, most of my interlocutors did not respect the new managers the way they did those who had climbed up the company ladder by gaining work experience in many posts. This was evident in a subtle distinction that my older interlocutors made between "*rukovodilac/rukovodioci*", a word with a communist ring to it that was used to refer to the old school cadres, and "*šef/šefovi*", for anyone who was somewhat higher in the administrative hierarchy of the Railways today. A proper manager would be someone who knew the ins and outs of the jobs they were supervising. As Dragica, a cashier, put it,

"My manager (*šef*) needs to know [my job], when I come to my workplace and if I die, fall on the ground, he should be able to sit and immediately resume with my work, just like that. Now that's what I consider a real manager. Or for the ticket inspector – he died in the train, [the manager] should take his pouch and continue writing tickets. Ours have no clue, they have no clue! They don't know how to open the office door."

Not only were new managers seen as incompetent, they were seen as lacking any substantial workload to begin with. Zoran referred to this situation as the caliphate (*kalifat*), which was a reference to Iznogoud, the comic character whose sole purpose was to become Caliph instead of the Caliph. In other words, many of the workers I spoke to saw the existence of these managers as pointless.

The increase in the number of managers was the product of the multiplication of administrative personnel on the Railways due to the restructuring of the Railways that had been happening over the previous ten years. The operations of the railway company were being segmented into three sectors, which meant that the managerial posts that had existed within the railway company were often separated into three posts. As Cica, a cashier, told me, "Our managers (*šefovi*) tripled. Triple positions.... That's why I say that they have occupied all the chairs – there are times when I have the impression that there are no chairs left to sit on."

The case of the company administration in Belgrade, "the building in Nemanjina street" (*zgrada u Nemanjinoj*), was the extreme example. According to Miroslav, the number of employees in that building alone had risen from 13 in 1989 to around 500 at the time of my research. Although new employment had been for-

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<sup>9</sup> It is worth noting that the word *menadžer* has a distinctly "western" quality, having been adopted from English only after the dissolution of socialist Yugoslavia. I thank Robert Hayden for drawing my attention to this point.

bidden except with the permission from the top management, my interlocutors told me that there had been a huge increase in the number of administrative personnel. The employment of new managers was seen as a continuation of a practice that had started in the 1990s, when administrative positions had been filled by members of political parties instead of experts. As Vuk, a local union official, recounted, “When the multiparty system was introduced, political settlements began – who will get what and where.”

Since new blue collar workers were also sometimes employed, although way less frequently, my interlocutors explained that this too was through “political” connections. However, such employment was extremely sporadic. In fact, the company had been downsized from approximately 35,000 workers in the beginning of the restructuring in 2000 to approximately 18,000 workers in the time of my research, mostly by offering favorable severance packages to blue-collar workers. While new managers were seen as having low workloads, the workload of the blue-collar workers was seen as constantly increasing. All of my interlocutors claimed that there was a shortage of blue-collar workers in the company resulting in the decrease of the quality of the services and the overall safety. Đorđe, a signalman who was leading several lawsuits against the company, criticized this approach, “The fish stinks from the head down, but it is cleaned from the tail. They are cleaning from the tail for the twentieth time, and the head is still there, and as long as it is that way, this will continue.”

A condemnation of new managers went hand in hand with the condemnation of the changes that marginalized blue-collar workers in the company. My older interlocutors claimed that the participation in decision-making and collective bargaining that had existed in the socialist period did not exist anymore. Vuk, a labor union official in the locomotive drivers' union, told me that unionized workers who refused to be included in petty political bargaining were seen as enemies, echoing Miroslav's comment about being at war from the introduction. Those who were opposed to the management were actively marginalized through policies that increased disorganization of the workers (see Carbonella and Kasmir 2015) by creating incentives for new unions to appear and giving concessions to union leaders that separated them from rank-and-file members. In addition, the workers felt alienated on an affective level. The company stopped offering the things that had been normal in the past, such as the possibility for their children to be employed in the Railways. As Dragica told me about her and her colleagues' children, “None of them work with us ... none got the slightest chance to try and get a job. No, the only new employees here ... are some managers' daughters, somewhere a son.”

As opposed to the condemnation of generalized corruption, corruption in the company was most often identified with the employment of new managers. The main target of my interlocutors' outrage seemed to be the fact that new possibilities for entering management positions within the company had replaced the old possibilities for advancement in the hierarchy to the detriment of blue-collar workers. Although the official policy of the company was directed at downsizing, my interlocutors were acutely aware of the proliferation of managers. In the case of the railway company, the state, understood as a nexus in which people are politically

related and which encompassed the government and the railway company, was instrumental for the proliferation of relations of dependency. This was consistent with the ethnographic accounts of state structures that thrive even in the conditions of extreme austerity by redeploying salary and other forms of redistribution to create paternalistic relations (Roitman 2005; Tsing 2005) and of politics (*politika*) understood as morally dubious sphere of party politics in the former Yugoslavia that prevented people from leading normal lives (Greenberg 2011, 96; Jansen 2015, 192). Cut off from new opportunities for advancement, my interlocutors were feeling increasingly alienated both from the company and the state.

## The uneasy relationship with transnational capitalism

Back then we had a state. Back then we had railways. Now we don't have anything. (Miroslav)

In the previous section, I touched on the restructuring, in which the company was significantly downsized and the operations were unbundled with the final intention to create three autonomous companies. Aspiring to join the European Union, Serbia had been implementing reforms to align its transport policy with that of the EU, including common rules for market liberalization (European Commission 2015, 15). Furthermore, the restructuring of strategically important companies, including the Railways, has been one of the goals in all IMF Stand-By Arrangements (International Monetary Fund 2006, 26; 2011, 45; 2016, 14) and in one World Bank credit agreement (World Bank 2008, 12). Braca, an HR and payroll worker, explained the issue to me like this,

"The idea is that Infrastructure would take care of the railroad and ... that everyone can use the railroad if they have a license to use it.... Freight and passenger transport will certainly be in the free market, because there are strong lobbies that want to transport passengers and freight using their own rolling stock. I think that will be quite devastating for people who work in freight and passenger transport because private transport companies will show up and ... only lease our ticket inspectors or trainmasters to accompany the train through Serbia, and they won't be interested in anything else."

Other workers I spoke to also thought that the restructuring of the company allowed government officials and managers to collude with people who had an interest in the liberalization of railway transport. Instead of making good business contracts with partners, managers were seen as trying to find ways to intentionally harm the company and benefit themselves and their associates in the private sector. The problem that my interlocutors were acutely aware of was that the Railways had not been investing enough in its rolling stock to be able to compete with other companies. Vuk said,

"I think that [liberalization] is disastrous for the national operator, because our rolling stock is inadequate. Our union requested a transitional period of three years to renew the rolling stock, to make it functional so that we are at least somewhat competitive. But I don't know,

we didn't get a response to that request. I don't expect anything significant to happen."

My interlocutors mentioned that the state-owned railway company had lost the business deal with Fiat. According to them, the price that the state-owned company offered had been artificially inflated, which had lead Fiat to hire a private bidder. However, the private bidder had had the rolling stock but not the workers, so he had had to lease the workers from the state-owned company. Some of the workers I spoke to assumed this would be the mode of operation in the future, so that the private companies would get both the lucrative business arrangements and the qualified workforce with no investment and obligations toward workers. The state-owned company would be stuck with the less profitable and smaller deals on the peripheral lines, but even those cases provided the space for problematic activities. For example, some of my interlocutors told me about the strategy of some managers to get bribes from private companies by creating artificial delays. Because the company was regionally divided into sections, trains needed to change locomotives upon arrival in each new section. When a train was held for a long time in certain junctions, the Railways was contractually obligated to pay the penalties, in effect reducing the cost of transport.

Blaming managers for corrupt behavior was a common way for my interlocutors to vent their frustration with the situation in which they were losing any semblance of control or transparency regarding their company. Aleksandar, a worker in the infrastructure section, told me that he had read about the news about the restructuring and new layoffs in his union's magazine. He said, "The president of the union says that they are announcing that a great number of workers will be laid off in June. I don't know if that is true, but my manager came to me today, and he says that they will give severance payments. They give you money and you can go." Layoffs – or "rightsizing" in the most recent IMF parlance (International Monetary Fund 2016) – were part of structural reforms, which were a prerequisite for support given by the IMF and the World Bank. But my interlocutors also anticipated them as a future consequence of such reforms, which would introduce market competition in the sector where the Railways had had a monopoly. As Nevenka, a low-level manager, explained,

"We will have to compete in the market and we have to persevere. The main thing is to satisfy the customer's (*korisnik*) needs, because the customer can go where things are easier if he is not satisfied. So we have a greater obligation to show ourselves in a good light in order to remain where we are now. Because if other operators come, we will have an excess of manpower and less needs, and you know what that means."

None of my interlocutors seemed to believe the Railways could be profitable, but they were against depicting of the Railways as a loser (*gubitaš*), which put the onus on the railway company alone. For example, Zoran said, "They haven't invested properly in railways since I started working, maybe even before that." Others said that, by definition, the Railways should not be operating to maximize profit, because their importance for a country outweighed the losses they could incur and

emphasized that advanced countries such as France, Germany, Japan, and China subsidized their railways because they were strategically important for their populations and economies.

The claims my interlocutors made about the process of restructuring of the railway company reveal their anxieties with regard to the insecure future, but also the way they perceived *vlast* as succumbing to the transnational pressures from the EU and the IMF. These pressures had created the conditions for the proliferation of managerial employees that my interlocutors thought created opportunities for corruption. The visibility of corrupt practices around them and the hope that their complaints could bring about a positive change resulted in the interpretation of corruption as an effect of those in their proximity – new managers (cf. Scott 1985, 181–183). Notwithstanding the prominence of the idea of “our mentality” as a source of corrupt practices, they were aware of the structural conditions in which corruption took place. Anthropologists have described those structural conditions as transnational political economy that challenges the idea of a vertical and encompassing nation-state and forms of authority and power associated with it (Ferguson and Gupta 2002). The specific market behavior imposed as the preferred form of economic behavior by transnational organizations results in various forms of dispossession (e.g., Elyachar 2005). By insisting on the promotion of particular market behavior and challenging the nation-state, transnational organizations often produce the opposite effects from the ones they explicitly aim to produce – as the case of Serbian Railways shows, rather than producing the desired outcome of more transparency, transnational organizations contribute to the proliferation of corruption.

## Conclusion

In this article, I have focused on the railway workers' understanding of corruption as a proliferating set of practices situated in the material conditions that had rapidly deteriorated in the 1990s. My interlocutors did not equally condemn all corrupt practices by people related to the Railways. For example, they saw smuggling in the 1990s as necessary and theft in the company as outrageous (cf. Humphrey 2002, 128). I have argued that to understand how some practices are construed as corrupt and others are not, one needs to pay attention to the social location of such utterances. Similar to the hegemonic ideas about the public sector in Serbia, the workers I spoke to saw the system as bad and corrupt overall (Mikuš 2016). However, the differences between their views and those hegemonic ideas – not seeing themselves as corrupt despite belonging to the public sector – stemmed from their position within the system, their knowledge of its inner workings, and the injustice of being disrespected.

My interlocutors felt alienated from the company and the state because the possibilities for advancement, which had been offered in the “Golden Age” of socialism (Kojanić 2015, 202–203), had disappeared or were usurped by management. Furthermore, they saw that the influence of the company management and the national government had been decreasing under the pressure to liberalize the monop-

listic railway sector. In that sense, the judgment passed on corruption corresponded to the sweeping socioeconomic changes that had been taking place in Serbia since the late 1980s in which provision and social relations had become increasingly mediated by the market and social inequality had increased.

Corruption was a structural element of socioeconomic changes – a necessary element of the reconfiguration of the state in the conditions of war and embargo in the 1990s and transnational pressures to liberalize the market in the 2000s. The increasing commodification reshaped the forms of state power that rested on patronage and paternalism entangled with party politics (Brković 2015; Sørensen 2003; see also Roitman 2005; Tsing 2005). What used to be non-market forms of provision in the socialist period were now used to obtain a better position within the market. Corrupt practices became crucial for ensuring redistributive state functions and creating new avenues for accumulation. For example, “political” employment in the public sector in the socialist period served to buffer from the vagaries of the global economy by providing perks that did not depend on monetized provision. Now, instead of protecting one from the vagaries of the market, the primary purpose of “political” employment is to position one better in the conditions of market economy by providing one with a job that offers a stable salary. In these circumstances, practices that are seen as primarily aimed at basic material provision are not viewed as corrupt, and practices that are seen as primarily contributing to one’s enrichment to the detriment of others are viewed as corrupt.

Over the past three decades, the Serbian state changed as much from above – due to transnational pressures and economic problems it was facing – as from below – through practices of individuals enmeshed in state structures to various degrees. The ambiguous relationship towards corruption in the contemporary Serbian Railways conjuncture – embracing some corrupt practices as necessary while condemning others as superfluous – stems from the fact that the increased commodification has brought about increased social inequality. In such conditions, incentives to be corrupt outweigh incentives for any individual to stop being corrupt.

## Acknowledgements

I would like to thank Marina Simić for her invitation to write about corruption and the state, and to Robert Hayden, Rory Archer, and the two anonymous reviewers for providing useful comments on an earlier version of the paper.

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Примљено / Received: 19. 01. 2017.

Прихваћено / Accepted: 21. 03. 2017.