

## **Death Of The Yugo**

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Kragujevac was the birth place of the former Yugoslavia's best-known export, the Yugo. Now the car is dead and the city appears equally moribund.

Car lovers are unlikely to shed any tears for the Yugo, once the former Yugoslavia's best-known export and now a casualty of years of economic mismanagement, international sanctions and NATO bombing. However, its demise has severe repercussions for Kragujevac, the Yugo's birth place, and, in particular, for the thousands of workers who used to manufacture it.

Though the Yugo was the butt of many jokes in the auto industry, it, nevertheless, provided the majority of Kragujevac's 200,000 residents with a good living. Life in the central Serbian city revolved around the mammoth Zastava complex, the car plant and the associated metal-processing and arms-manufacturing industries.

With the outbreak of war in 1991 and the disintegration of Yugoslavia, Zastava lost not only its markets in the former Yugoslav republics, but also its markets abroad, as international sanctions, dated technology, and poor-quality products took their toll.

As production crashed from a peak of 200,000 cars per year in 1989 to 14,000 in 1998--just 7 per cent of capacity--Zastava was gradually obliged to put most of its workforce on forced leave. The final blow came during the nights of 9 and 11 April this year when NATO missiles reduced the factory compound to rubble. In the process, Zastava's remaining 36,000 employees lost their livelihood.

Originally founded in 1853, what is today known as Zastava became the Serbian royal arsenal prior to the First World War. The tradition of weapons manufacturing--which continued up until the NATO bombing--expanded to include car production during the Tito era.

At the high point in the 1980s Zastava's most famous product, the Yugo, was exported to 72 countries around the world. And the Italian company IVECO took a 46 per cent stake in the Zastava truck factory.

In addition to the Yugo and IVECO trucks, Zastava was the main supplier to the Yugoslav People's Army (JNA) and a successful arms exporter. This weapons-manufacturing capacity made it a target for NATO's missiles.

All told, the NATO bombing has affected not only the 36,000 Zastava employees, but also their 64,000 dependents.

Local Red Cross officials estimate that conditions for the city's 24,000 pensioners are as serious as for the 14,000 Serb refugees who have recently arrived from Kosovo, most of whom are staying with friends and family. Moreover, with another 5,000 Serb refugees from the wars in Croatia and Bosnia, refugees now make up almost 10 per cent of the city's total population.

K.S., 44, is a worker from the Namenska arms factory, currently on forced leave. Before, the beginning of the wars of Yugoslav dissolution, her monthly salary was 1,500 German Marks. Today she receives approximately 25 German Marks per month in two uneven installments. Her two daughters, ages 25 and 19, are among more than 20,000 registered unemployed in the city.

Since K.S. is on forced leave, she does not appear in the unemployment statistics, even though her work place no longer exists. She and her daughters have enough to eat for now. They had potatoes for lunch, a typical meal, and last ate meat a month ago. They say they can no longer afford eggs.

Like many of her neighbours, K.S. keeps an open account at the local grocery store. She "buys" food by signing for it in a notebook, and pays later, relying on her husband's irregular daily income of 5 German Marks, which he earns as a taxi driver.

Perhaps as a result of its social problems, Kragujevac is regarded as an opposition stronghold and is one of only two cities in Serbia governed by the "Zajedno" coalition.

An independent trade union appealed to workers to sign a petition seeking the resignation of Yugoslav President Slobodan Milosevic and more than 20,000 signatures were collected in two weeks.

Kragujevac has also been the scene of two of Serbia's largest protest rallies to date: that of the Alliance for Change on 15 July and of Vuk Draskovic's Serb Renewal Movement on 17 July. Since 19 July, protest meetings have taken place almost on a daily basis with turn-out often reaching 2,000.

K.S. has attended some of the rallies and hopes for change, but has more practical problems to solve. "All I do is wonder how we are going to provide heat this winter."

The city's power plant, on which most Kragujevac residents depend, also supplied energy to the Zastava compound. As a result, it was hit and badly damaged during the air campaign. One cubic meter of wood costs 50 German Marks.

Many Zastava employees come from the surrounding countryside and still have family farms there. During the past decade as their salaries fell, they began producing their own food, maintaining jobs in the factory only to preserve social, health and security benefits.

Inside the Zastava compound, factory buildings appear damaged beyond repair. Some walls remain intact, but the interior is filled with piles of molten steel from what used to be the roof. Other buildings--from which workers have already begun to clear debris--present a spooky, charred void.

Scattered around the plant are huge mounds of debris. A crater 30 metres in diameter immediately in front of the compound's administrative centre is testimony to the power of just one missile. The nearby Zastava computer centre has been flattened.

Slobodan Milosevic (no relation to his namesake), chief engineer of the power plant, shows visitors gigantic pressure boilers, pierced and cut by shrapnel. Some could be repaired, he explains, enough to enough to supply energy for reconstruction. "We have the people and the knowledge to do it. But we lack the money."

The Serbian government has promised 60 million German Marks to reconstruct Zastava over five months. According to the factory's management, this represents only 5 per cent of the 1.2 billion German Marks in material damage caused by the NATO bombing.

The G17 group of independent economists estimates damage to the car factory at 1.8 billion German

Marks, and points out that, in addition to the 36,000 unemployed Zastava workers, some 70,000 employees of more than 300 supplier firms which produced parts for Zastava cars, also faced hardship.

Zastava is looking to benefit from 6 million German Marks of European Union aid earmarked for Kragujevac, as part of the "Energy for Democracy" programme, aimed at helping opposition-governed municipalities. It also hopes to attract a foreign partner.

Prior to the war, the company signed a letter of intent with French car manufacturer Peugeot in an attempt to revive car production. Terms of this agreement have not been revealed.

Even if Zastava could find a foreign partner willing to brave the caprices of post-war Serbia, other, more formidable problems have to be overcome. The only production line left standing is the painting line. Next to it, on the almost completely destroyed lacquering line, hang the chassis of several Zastava 128 cars.

To move the chassis, the city's power plant must be functioning properly but that requires an estimated investment of 200 million German Marks. The Zastava 128's therefore sit in suspended animation, unable to move due to a lack of energy, and unable to get the energy, due to a lack of money.

Jadranka Slatina is a pseudonym for a journalist from Belgrade.

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