



ANALYSIS OF THE NARRATIVE UTILISED TO CAPTURE THE STATE

SNAKES, RATS AND DRUG ADDICTS USED TO DWELL HERE

HOW NARRATIVES ABOUT FOREIGN DIRECT INVESTMENTS
CONTRIBUTE TO THE STATE CAPTURE

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March 2021

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How narratives about foreign direct investments contribute to the state capture

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Foreign direct investments are the cornerstone of the current government's economic policy. In their statements, the officials call them drivers of development, saying that they have enabled the revival of the economy and turned Serbia into the "economic tiger of Southeast Europe."¹ The fact that the value of the investments Serbia has managed to attract is greater "than what was achieved by all the countries of the Western Balkans put together"² is often mentioned as the key measure of success.

However, the story of brilliant success quickly loses its lustre when one considers the long-term effects and all-encompassing consequences of this policy. Due to the way they are contracted and implemented, foreign direct investments represent one of the key mechanisms for capturing the state. Hiding behind the stories of a better future and new jobs, the government is breaking down the system of legal regulations and statutory procedures, promoting private interest to the detriment of the public one, and using foreign investments as propaganda ammunition to legitimise unlimited power. The results of such policy are a number of negative consequences for the state and the citizens, such as the increase of public debt, dramatic violation of workers' rights and alarming problems with environmental pollution.

In order to mask the negative consequences and legitimise the policy of attracting foreign investors based on the above described pattern, a complex narrative has been developed presenting foreign investments as a successful, and the only possible, model for state development. This meta-narrative about progress, which media are building up every day, is based on four basic component narratives: on the economic revival, on the efficiency of personal rule, on transparent contracts and on the opponents of Serbia's development who 'unfoundedly' criticise the government's economic success.

In the analysis of the narrative we will focus on the statements of officials made since 2012, which is when the regime led by the Serbian Progressive Party came to power. Many of the described mechanisms, such as non-transparent, harmful contracts and unjustifiably high subsidies, also existed during the previous government.³ However, the capture of the state, carried out - among other things - with the help of foreign direct investments, has reached completely new dimensions under the current regime, while the narratives that accompany it have been significantly 'improved'.

Narrative of the economic revival of Serbia

We have enormous problems there (in Bor). We deal with them every day, but we do not have a magic wand and there is no easy solution. I beg the Chinese, I kneel before them, to take part in it. That is where we bleed, where our blood flows every month. We have so few people in eastern Serbia; we have to save those jobs for them because if we do not save those jobs we will not have that part of Serbia.⁴

The narrative about foreign investors the government has managed to attract and thus raise the economy from the rubble is based on the discourse on the catastrophic state in which the current government found Serbia's economy in 2012. The previous regime, which has for years been repeatedly accused of robbing citizens and destroying the country, is the only culprit for such a situation. The narrative of economic revival is especially important for the current government because it presents it as completely different from the former regime, the one that implemented the transition which resulted in the closure of many factories and mass layoffs.

In order to more effectively present the dramatic state of the economy they inherited from their predecessors, government officials often used the language of securitisation as in the above example, when describing the state of affairs in RTB Bor. Comparing it with a constantly bleeding cancer wound, the [then] Prime Minister Aleksandar Vučić emphasised the urgent need to solve the problem, thus preparing the ground for the narrative about salvation that came with the arrival of foreign investors.

The most illustrative examples of the narrative of Serbia's economic revival through foreign investments are the statements about the Chinese investment in former economic giants such as the Smederevo Ironworks or RTB Bor. After years of it having operated under a threat of closure, the investors are now saving thousands of jobs and the life itself of these local communities. As the media reported in November 2016, at the meeting of the two prime ministers, Vučić asked his Chinese counterpart for help in resolving the critical situation in RTB Bor, saying the following: "Without your support, we would not have been able to overcome the difficulties. Your role in taking over the Smederevo Ironworks has saved Serbia economically."⁵ Powerful friends who come to the rescue and a great personal sacrifice for the sake of the country's interests are motives that are most often repeated in Vučić's statements concerning foreign investors.

Despite numerous criticisms that these two companies are causing extremely high levels of air pollution⁶ and offering inadequate working conditions,⁷ the government keeps presenting these investments as a symbol of Serbia's recent economic success. At a press conference in February this year, the President reiterated the importance of Chinese investments in reviving the once troubled economy: "It is enough that we are not losing ten or twelve million euros a month at the Smederevo Ironworks, that we do not owe 1.2 billion for the Bor mine as we used to, that we are collecting all the required taxes, that workers are receiving their salaries, that it [the Ironworks] is becoming one of the two largest exporters from our country."⁸

The narrative of economic revival through foreign direct investment promotes a secure future and a balanced development of the country for which there is no alternative, as evidenced by “the Chinese investment in RTB Bor, which has secured the growth and development of eastern Serbia for the next 50 years.”⁹ Economic revival successes presented in this way not only legitimise the current economic policy of the government, but also serve to justify a long-term development strategy based on such investments. In the words of government officials, “Chinese investments represent an enormous chance for Serbia and its accelerated development, so that in two to three years Serbia can become the country with the highest economic growth in Europe.”¹⁰ The thesis about the unprecedented pace of development that the government made possible by bringing in investors was heard from President Vučić at the gathering organised on the occasion of President Xi Jinping’s visit to the Ironworks: “Yes, Germany is rich, but can you believe that Serbia will have 2.5 times higher growth? And we will be able to have that thanks to the workers of the Ironworks, our Chinese friends and President Xi Jinping.”¹¹

However, the rescuer narrative is not used only in relation to Chinese investors. The same model is employed to describe any other foreign investment, regardless of where it comes from – the countries of the European Union, Russia, Turkey or the United Arab Emirates. Using the language of securitisation, investors from abroad are presented as the only chance and a matter of life and death for local communities: “This place (Lebane) would have died out completely had there not been for the Turkish investor. The situation is the same in Vladičin Han, Krupanj, Mali Zvornik, and many other towns in which few people had wanted to invest.”¹²

Building a narrative of salvation through foreign investment also serves several other important functions. The government uses each individual investment to take credit for the creation of new jobs, thus emphasising the discontinuity with the previous regime: “We are opening a factory today, new jobs, life and future for the people of Niš. This is a great day for our country, and we are doing all this with one objective in mind - we are building a future for our children here. A few years ago, Serbia was in chaos, while today we can boast that 55% of foreign investments that are made in the region actually end up in Serbia.”¹³ Foreign investments are presented as a guarantor of the future and are thus legitimised as the country’s long-term sustainable development strategy: “Citizens of Pančevo will live much better than they do today, and I am very proud and happy to open this factory. We will soon be laying foundation stones for other factories here as well. That is how we will keep young people in the country. Long live friendship between Serbia and Germany!”¹⁴

To the criticism that, in projects such as Belgrade Waterfront, the interest of investors was placed before the interest of the public, and that the rule of law was undermined by the adoption and implementation of the *lex specialis*, the government responded by saying that there is no other way for the country to develop. “Our interest was to turn swamp scum and dilapidated barracks into something magnificent. We have created an enormous value out of nothing, hired people, achieved something we can only be proud of. You are asking whether any of the private investors have an interest, of course they do, the modern world is based on that, it is the essence of capitalism and modern development of a country. What we got was the employment of people, an enormous value out of something that had no worth at all. Our share today is measured in hundreds of millions of euros. What was worth nothing to the citizens of Belgrade and Serbia is now measured in billions.”¹⁵

The narrative of economic revival allows the government to present foreign direct investment as a key strategic interest and an economic development driver that has no alternative. It is used to justify all the economic measures that have been taken to attract investors, such as high subsidies and accelerated borrowing, or the enactment of special legal acts that allow investors to operate on preferential terms. Also, this narrative serves as a premise for the the one about the enemies of Serbia's development, as any criticisms of such promotion of foreign investments are presented as malicious attempts to cast a shadow on the magnificent economic results that have been achieved.

Narrative of the efficiency of personal rule

And I know that Xi cannot turn me down. I tell him: “President, I am not leaving until you promise me that you will come to Serbia”. When I hear the reaction of those around him, when I hear them starting to laugh - that is when I know that he will come. So I am going to ask him for another big project the same way.¹⁶

The narrative about Aleksandar Vučić as the only person who deserves credit for bringing in foreign investors, which has been in the process of creation for years, serves primarily to present his personal power as efficient, and therefore justified. The motifs of great personal sacrifice, of a statesman who is respected in both the East and the West, of a ruler with a vision, are all supposed to show us that without him and his tireless work and personal contacts Serbia could only dream of better times. This builds the myth of irreplaceability, which justifies irremovability. It also silences criticisms of exceeding the Constitutional powers or bypassing institutions, and those of shortcomings in the functioning of the rule of law.

Although present ever since Vučić came into power, the discourse about the man who is in charge of everything in the country has become louder and more direct over time, as clearly seen from the example of his statements about the Chinese investment in the Smederevo Ironworks. During the visit of Chinese President Xi in June 2016, Vučić said that the solution and salvation for the Ironworks was found “thanks to the People’s Republic of China, President Xi Jinping, and the friendship former President Nikolić had established with him”.¹⁷ However, three years later, during a visit to Smederevo in March In 2019, he reminded the gathered citizens that it was he who had gained the trust of Chinese President Xi Jinping and persuaded him to find an investor for the Ironworks in Smederevo: “I asked Xi Jinping to help with the Ironworks and told him that Serbia would never forget it. The Ironworks is still the largest factory and exporter in Serbia”.¹⁸

Almost all important investments in Serbia are presented as a result of his personal close relations with foreign statesmen or big businessmen, which he uses to obtain privileged terms for Serbia. “I asked Erdogan about the industrial zone, one of the best two or three in the world; they should create such a zone in the territory of Vojvodina. That would solve all the issues related to employment, pensions and salaries. It would be a fantastic boost to the growth of our economy.”¹⁹ Vučić uses the same language when he speaks of personal agreements and requests addressed to the leaders of Western countries such as Germany²⁰ or France.²¹ In that way, the narrative about personal power is connected to the narrative about Serbia’s good relations with both the East and the West, based on to the authority it enjoys. That is how foreign policy relations are used to politically strengthen power at the domestic level.

In every public appearance on the topic of foreign investments, the President highlights the sacrifice and enormous amounts of work he had to invest in order to ensure them: “I had 61 meetings only concerning the (Smederevo) Ironworks,²² and no less than that regarding JAT [air transport company], but we have managed to build up Air Serbia and the Ironworks. His commitment to each detail of the process is an integral part of this discourse, as it strengthens the public’s belief that he is keeping every segment of the country’s functioning under control: “There are almost no Turkish investors I do not know

personally, with whom I have not spoken several times, whom I have not personally tried to help in some way, all to show that Serbia wants to have Turkish investors in the country. They should not be foreigners here; they should be viewed as locals. They should be able to earn, and our people should receive salaries and be able to live".²³

The last element that is crucial for the deconstruction of the narrative of efficient personal power is the emphasis on President Vučić's ideas for future long-term development: "I want Serbia to achieve a comparative advantage over the countries of the region and Europe by use of innovative technologies. I will present President Xi with some peculiar requests. I hope that he will not laugh and that he will understand what I am asking".²⁴ In addition to presenting Vučić as a leader with a vision, this aspect of the narrative aims to de-legitimise any critics of the current government's policy, described by him as petty and short-sighted, if not even malicious. This will be further addressed below, in the analysis of narratives used against 'Serbia's opponents'.

In addition to Vučić's own narrative about the unquestionable success of his leadership, there is also the narrative of his closest associates from the top of the government, e.g. Prime Minister Ana Brnabić. Commenting on the President's visit to China in September 2018, she expressed satisfaction about the fact that President Vučić has regular meetings with the President of China, because "it can only mean good things for Serbia - new jobs, new investments in infrastructure, new partnerships and a new market for Serbian companies".²⁵ Such statements strengthen the image of President Vučić's loyalty and unquestionable leadership, even among the highest state officials. Violation of constitutional powers and circumvention of institutional structures is justified by the efficiency of the *de facto* undivided government: "This is the crown jewel of all the efforts of Aleksandar Vučić since he became Prime Minister in 2012. It means more investments, not only from Asia, but also from other parts of the world".²⁶ We can see similar motives in the statements of ministers as well. Thus, the Interior Minister Aleksandar Vulin presented Vučić as a direct saviour of underdeveloped local communities in Serbia: "Thanks to the personal relationship of President Vučić with the President of the People's Republic of China Xi Jinping, the Zijin company came to RTB Bor and did much to restart production and revive the entire area".²⁷

The basic purpose of the narrative of efficient personal power is to present the President's dramatic overstepping of constitutional powers as justified and purposeful, and to further build on the myth of tireless work, superhuman sacrifice and the watchful eye that controls everything. Perhaps even more importantly, the narrative of visionary leadership serves to justify the lack of institutional oversight, as direct agreements on international investments - contracted or approved by the highest office in the country - are presented as unquestionable. This opens space for concluding non-transparent contracts which enable lucrative jobs for the clientelistic network of suspicious companies close to or connected with those in power.

Narrative of transparent business contracts

Don't forget that this government does not have any secret contracts. When Belgrade Waterfront [contract] comes into force, it will be made available. We only have secret contracts from the past.²⁸

Transparent agreements on foreign investments were a very important motive for building narratives in the period immediately after the regime change in 2012, when it was used as a symbol of discontinuity in relation to the previous government: "The (Belgrade Waterfront) agreement signed by the state or the city is transparent, unlike some of the contracts that were signed in the previous period, such as the one with Fiat and so on".²⁹ In the early years of power, representatives of the current government actively used this argument, in the form of a permanent threat of publishing secret contracts signed by the previous regime (e.g. the one that was concluded with Fiat), as part of the proclaimed fight against corruption: "Other contracts, which have so far been classified, will also be published. I am not sure that everyone will be happy about that".³⁰

However, considering that they themselves very quickly started concluding contracts that remained - partially or completely - under the veil of secrecy for long periods of time, the narrative of transparent contracts became of a predominantly defensive character. After accusations by the former Minister of Economy Saša Radulović in 2014 that the agreement with Etihad on strategic partnership with Air Serbia was hidden because it was harmful to the country, the then advisor to the Prime Minister Siniša Mali justified the postponement of disclosure by mentioning technical details, announcing that "the agreement between the two parties will be available immediately after the closing of the transaction, that is, once each of the parties completes the obligations it has undertaken. As far as I am concerned, this is a perfect contract and there is nothing to hide".³¹ To complete the defence, [then] Prime Minister Vučić used the already well-developed narrative on non-transparency and corruption of the former regime, thus relativising the responsibility of the current government for hiding the contract from the public: "Insisting on the announcement of the contract reminds me of the story of a thief, who thinks that everyone else must be one as well. I am not hiding anything. The contract with Etihad is clear as a bell because no one has put money in their own pockets or robbed the country. It will be shown".³²

Combined with praise for the success of the current leadership, promises that all signed contracts will soon be made publicly available and reminders of the non-transparency of the former government that economically destroyed Serbia are becoming key elements of statements about the transparency of foreign investment agreements. After the Ministry of Economy paid several fines imposed thereon by the Commissioner for Information of Public Importance in 2016 for failure to publish the contract on the management of the Smederevo Ironworks, the leader of the Serbian Progressive Party parliamentary group, Aleksandar Martinović, claimed that "We don't need people who have led Serbia until 2012 to tell us to publish a specific contract, we are doing it on our own and all the contracts - for the Ironworks, for the Belgrade Waterfront and with Etihad - are publicly available. And every future agreement of strategic importance for the Republic of Serbia will be published on the website of the Government of the Republic of Serbia, and there is nothing secret, there is nothing that is contrary to

the interests of the citizens of Serbia. All these agreements enabled the economic development of Serbia. Only a madman would hide contracts that have brought good to the citizens of Serbia".³³

The transparency narrative was severely shaken by the scandal involving the airport in Niš and the Belgrade Airport concession agreement signed with French company Vinci. When the government was accused of having decided to take over the management of the airport in Niš because it had signed a secret agreement with the French company to limit the development of other airports in the country so that they would not be able to compete with the Belgrade Airport on the market,³⁴ the then Minister of Construction, Transport and Infrastructure Zorana Mihajlović replied as follows: "This government has nothing to hide and the contract will be published once the handover to the concessionaire has been completed. Those who are saying that the concession agreement will not be published are talking about the way they themselves would be doing things, or about something they saw during the mandates of earlier governments".³⁵ However, as the scandal continued to grow in light of new evidence indicating the existence of such an agreement with the concessionaire,³⁶ President Vučić abandoned the usual narrative of transparency, basing damage control communication on the narrative of the economic revival of Serbia: "I am going to Niš with pride, to open a factory that they could not even dream of bringing to that city. I am going to talk to people who were evicted from their factories, to see if we can find a way for them to be paid the salaries they had earned 12 years ago, and which had been stolen from them. I brought six factories to Niš, and now they are going to tell me to go away? Come on."³⁷

The narrative of transparent contracts has a dual purpose. On the one hand, it once again emphasises the corrupt character of the former government, which set Serbia back, making the successes of the current government - as largely responsible for foreign investments - all the more magnificent. This intensifies the effect of the narrative of economic revival. On the other hand, criticisms of the non-transparent agreements concluded by the current regime are discredited as inconsistent and malicious, creating the impression that they are only rare and temporary exceptions caused by the technicalities that will soon be resolved. In the sea of noise that thus arises, it is possible to keep the most sensitive parts or annexes to contracts under a veil of secrecy, even when the contract is finally published after a long delay.

Narrative about opponents of Serbia's development

*Wherever you want to build something, there is always something wrong about it. They are politicians without any ideas or dreams, but they do speak against others'. Our goals are different. For some, the dream and goal is the success of the country, and for some, to destroy someone in politics. I stand behind the idea that the country should be moving forward and that Serbia should be the best.*³⁸

In order to challenge the criticisms of unjustified economic policies based on subsidised foreign direct investment, the catastrophic environmental consequences of some of them, the inadequate working conditions, and the insecurity of workers in some foreign-owned factories, the government has constructed a complete narrative about those who oppose Serbia's development. This narrative rejects the objections of the opposition and the critically motivated public as unfounded, while the real motivation for such opinions is found in the desire to take the country back, at any cost, into the dark past of the former regime.

To the criticism of the manner and terms under which RTB Bor was entrusted to Chinese "Zijin", Vučić responded by emphasising the incompetence of the previous government: "Several years ago, those who criticise us today had officially offered to the people in RTB Bor, asked them, that they stop producing copper. They told them to make wicker chairs, to plant peanuts... Today, we are talking about an eastern Serbia that is secure for the next 50 years".³⁹ The goal of such a narrative is to deny the legitimacy and right to criticize, without in fact going into the essence of the arguments put forward by critics: "They tried to sell Bor four times, but no one applied because people saw a poorly functioning state, the size of the debt and how bad the condition of Bor was. That is why no one responded to their calls for privatisation".⁴⁰ Vučić then continued with the narrative about the economic revival and the success of the government he was leading: "We announced it [the sale] once and achieved an exceptional result. Those big investments will change people's lives. I hope that they will at least partially stop the exodus of our people from that part of Serbia, and that some will in fact return to their homeland".⁴¹

The South Korean electric cable factory "Jura", located in Leskovac, has become a symbol of bad working conditions in foreign factories as a result of the disturbing story about diapers that workers are forced to wear because they are not allowed a toilet break during the working hours.⁴² During a visit to the factory in October 2016, [then] Prime Minister Vučić stated the following: "I have not seen those infamous diapers anywhere. People that are talking about them are those who are fighting for the past, and for Serbia's lagging behind in the future. The time of utopian socialism and self-government is over and we will succeed only if we work. Otherwise, we can only whine about things and give up".⁴³ This sort of narrative establishes a discourse based on which criticism of foreign employers is rejected as unfounded, basic workers' rights are dismissed as a relic of the past and an excuse for laziness, while the state unequivocally steps in to protect investors no matter what.

The dissatisfaction of the people from Smederevo, caused by the increased air pollution since the factory was taken over by the Chinese company Hestil, culminated in 2020. Citizens organised protests and submitted appeals to state authorities to react and force foreign investors to respect environmental regulations.⁴⁴ Due to the authorities' lack of interest in hearing their demands, certain local non-governmental organisations called for the protests to continue with the blockade of the port of Smederevo, and were supported by some of the opposition leaders.⁴⁵ Reacting to the announcements of this type, the former Minister of Construction, Transport and Infrastructure Zorana Mihajlović said that "it is very irresponsible for opposition politicians to call for a blockade of the Port of Smederevo, which employs more than 150 local citizens, while the Ironworks employs more than 4,000".⁴⁶ In this way, the Minister was building on the narrative of the achieved economic revival, discrediting the protests as a threat to the economic well-being of the citizens of Smederevo.

Ms. Mihajlović also silenced the criticism by not going into the essence of the argumentation of the problem. She instead de-legitimised the critics themselves, rejecting their methods as violent and their real motives as a naked struggle for power in which they were willing to stop at nothing: "The amount of malice that failed politicians Marinika Tepić and Boško Obradović are showing towards their country and its citizens is completely incomprehensible. They are driven exclusively by hatred toward those with whom they do not agree politically. How much irresponsibility, arrogance and rudeness is needed for one to call for the cessation of the work of the Port of Smederevo, one of the largest European river ports on the Danube, which - by the way - has nothing to do with the problems of pollution in Smederevo? With such calls, parts of the opposition are once again showing that they do not care about the interests of the citizens of Serbia, but only about power. They do not care about the price citizens would have to pay for their irresponsibility, arrogance, blockades, and the violence they promote".⁴⁷

The narrative about the opponents of Serbia's development delegitimises all critical voices that speak about foreign investments. Doubts about the legitimacy of economic and legal measures aimed at encouraging foreign investment are dismissed as desperate remarks made by people without ideas and vision, unwilling to acknowledge the government's undoubted successes. Warnings of drastic violations of workers' rights and the collapse of the legal order are presented as malicious fabrications, while increasingly frequent local protests caused by environmental threats are openly attacked as politically motivated actions of extreme groups that threaten the economic prosperity of citizens and the state.

The four narratives we have presented cannot be analysed individually, but as a compatible whole in which they build upon one another. The narrative of the economic revival presents foreign investments as the main driver of progress for Serbian economy. The narrative of efficient personal power justifies overstepping the constitutional powers and builds the myth of a capable leader who delivers the most important result - prosperity and a better future for citizens. The transparency narrative emphasises a clear cut-off point that was reached when the former corrupt regime that destroyed Serbia was overthrown, while the narrative about the enemies of progress discredits any criticism of the results of economic policies. This complex story of foreign direct investment creates a thick screen that hides the collapse of the rule of law and the promotion of private interests of foreign investors and the political elite, with long-term catastrophic consequences for the public interest.

Instead of prosperity - diminished rule of law, workers in diapers, and cities engulfed in smog

Finally, it is necessary to say a few things about the real consequences of the policy pursued under the guise of the foreign investment narrative. The most important mechanism for capturing the state is the circumvention and rewriting of regulations and legal procedures for the sake of private interests. When contracting foreign investments, contracts are regularly assigned not according to the provisions of the Law on Public Procurement, but by free agreement and negotiation of state officials and representatives of foreign companies or governments.⁴⁸ There are numerous examples of formally announced tenders that only served to legalise pre-concluded agreements with foreign investors, leaving room for non-transparency and corruption.⁴⁹ Directly concluded international agreements also enable the engagement of companies that are close to the political parties in power as subcontractors. The contract for the construction of part of the highway on Corridor 11 - worth no less than USD 75 million - was awarded to a consortium that includes "Inkop", a company managed by Zvonko Veselinović, a 'controversial businessman' close to those in power. The fact that the company was not even registered for road construction at the time⁵⁰ did not seem to be a problem. Allegedly-public hearings are held behind closed doors, while regulations according to which it is necessary to obtain an environmental permit prior to starting construction are ignored, as in the case of the Chinese car tire factory "Linglong"⁵¹ in Zrenjanin. Overstepping his constitutional powers, the President takes on the role of a key negotiator with foreign investors, thus further weakening the institutional division and control of personal power.

The most obvious example of dismantling the legal order to meet the interests of private investors was the adoption of a *lex specialis* concerning the Belgrade Waterfront project, which suspended regular legislation in order to make it possible to entrust the public procurement of works to an investor without a tender, and to expropriate private property for the purpose of constructing facilities intended for further sale.⁵² We were able to see the real effects of the suspension of regular laws and the establishment of parallel regulations on election night, on 24th of April 2016, when some thirty people clad in face masks illegally demolished private buildings located on land intended by the *lex specialis* for the construction of Belgrade Waterfront. This was done so that plots could be cleared in accordance with the deadlines stipulated in the contract.⁵³

Although the government is doing everything possible to show the economic effects of the policy of attracting foreign investments as indisputable, there are a number of negative consequences that, as a rule, accompany such policies. The astronomical amounts are allocated to subsidies that end up making these investments unprofitable for the state for many years. The most famous example is the car tire factory "Tigar Tyres" in Pirot, for which the French company "Michelin" received subsidies in the amount of no less than EUR 60,000 per job position. It will take the state at least 25 years to break even by collecting taxes and contributions.⁵⁴ Also, many of the projects that are presented as investments are in fact loans. This is especially true for infrastructure projects such as Corridor 11, or the reconstruction of the Belgrade-Budapest railway. As a result of this policy, Serbia's public debt increased from EUR 15 billion in 2012 to more than EUR 27 billion in 2020.⁵⁶

In order to attract investments in the race that takes place on the global labour market, governments in developing countries such as Serbia are turning to the promotion of cheap labour. Namely, investors are offered valuable subsidies for each job position, loose environmental and other regulations, and leniency when it comes to the protection of workers' rights.⁵⁷ As a result, more than half of the workers employed in foreign companies in Serbia work for just a bit more than minimum wage, and most of them are employed in the most loudly promoted large industrial plants that employ low-skilled labourers.⁵⁸ At the same time, many foreign factories are not obliged to respect the legally guaranteed rights of workers, as is the case with the South Korean factory "Jura" in Leskovac, where workers are forced to wear diapers because they are not allowed a toilet break.⁵⁹ Workers in many foreign companies are complaining of regularly having to work overtime without being paid, and saying that trade unions are prohibited.⁶⁰

One of the problems that attracted the most public attention in recent years is the dramatic consequence that foreign investments have on the environment. Increased air pollution is especially noticeable in the case of Smederevo Ironworks, where citizens are regularly protesting in an attempt to point out that environmental standards have not been respected since the Chinese company "Hestil" took over the management of the ironworks, and that wastewater - which tends to turn into the so-called 'red rain' - and steel dust created during the production process have extremely negative effects on human health.⁶¹ The situation is similar in Bor, where Chinese factory "Zidjin" was sentenced to a symbolic amount in the lawsuit that was filed by the Ministry of Environmental Protection after the factory released dangerous substances into the air. Namely, official data shows that the concentration of dangerous particles in the air exceeds the allowed values many times; at one point, the amount of arsenic in the air was 24 times higher than allowed.⁶² An ecological catastrophe is also threatening Zrenjanin, where, despite local protests, the "Linglong" tire factory is currently being constructed without it having produced a mandatory study on its impact on the environment in the immediate vicinity of the protected area of Carska Bara.⁶³ The last announced large investment, which raised a lot of dust in the public, is the jadarite mine that British-Australian "Rio Tinto" is planning to open near Loznica. Its exploitation is threatening to endanger the soil and watercourses in the area.⁶⁴

When we look at all the negative effects, it becomes clear that deconstruction of the narrative of foreign investment is precisely what needs to be done to break the myth of prosperity brought about by foreign investments. Unfortunately, the only pictures that are reaching the majority of citizens are those of newly opened factories, smiling workers and a better future. Therefore, it is crucial to point out - as clearly as possible - the dramatic consequences we are facing, and to explain how these are hidden behind big words used to describe foreign investors which are brought to raise Serbia from the abyss and take it to the position of leader in the region and Europe.

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This publication was produced with the financial support of National Endowment for Democracy (NED). Responsibility for the content of this publication belongs solely to Belgrade Centre for Security Policy.