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## **Economic situation in Pančevo (1944–1990)**

*Abstract:* This scientific research work deals with the economic situation in Pančevo from 1944 to 1990. The time margins of the research were set in order to attempt to periodize the economic development (therefore the ups and downs) of the city. Although the term *economy* is very complex and extensive, in this paper it was used as a collective term for a handful of connected phenomena, from which industry, economy and inflation are singled out. Therefore, this research should be the most authentic representation of the economic conditions of the city of Pančevo, through which we follow its development over the decades. The goal of the research is to understand what the economic situation was like in the aforementioned period, as well as to find out how the inhabitants of Pančevo actually lived, in this city whose past was marked by heavy industry. The paper highlights one of the key problems that were current in the city during the research period. Since there are no existing works on this topic in the Pančevo area during the observed period, and considering the topic's scope, the research process had to be comprehensive. Professional literature together with historical material forms the most important part of the research, which is rounded off with field work using electronic content and collecting oral sources from a certain number of citizens of Pančevo. Of course, all the collected data was carried out through a critical apparatus. The city's public finances, which include taxes, income, expenses, etc are outside of the scope of this paper.

*Keywords:* Economic situation, Pančevo, period from 1944 to 1990, industry, life

## Economic Situation in Socialist Yugoslavia

In the period from 1941 to 1945, the Second World War was fought on the territory of the (Kingdom of) Yugoslavia, during which the country suffered terrible human and economic losses.<sup>1</sup> The communist movement emerged victorious from the war and had the task of rebuilding the new state.

Pre-war Yugoslavia was a developing country, whose population was mainly engaged in agricultural activities. During the reconstruction, which wasn't easy by any means, the emphasis was on the development of industry, economy and traffic.<sup>2</sup> The country occasionally received monetary aid,<sup>3</sup> depending on its current political orientation, and during the 1950s and 1960s it had the status of a medium-developed country.<sup>4</sup> In order to improve the living standard in the country, the government began borrowing money from the countries that previously provided Yugoslavia with free financial help. The money obtained was used, among other things, for the construction of new factories throughout the country.<sup>5</sup> As time passed, the loans accumulated, the living standard for which the money was taken gradually fell, and inflation appeared.

In addition to economic issues, there were increasing national divisions, leading to separatist conflicts. In the 1990s a civil war erupted, resulting in the collapse of Yugoslavia.

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<sup>1</sup> The most devastated areas were located in the territory of the (future republics) of Serbia, Bosnia and Herzegovina and Croatia.

<sup>2</sup> Branko Petranović, *Istorija Jugoslavije 1918–1988: treća knjiga: Socijalistička Jugoslavija 1945–1988*, (Beograd: Nolit, 1988), 77.

<sup>3</sup> Mostly from Western countries, mostly from the United States of America, in the amount of over 30 billion dollars in the period from 1949 to 1965.

<sup>4</sup> Миодраг Зечевић, *Југославија 1918–1992*, (Београд: Просвета, 1994), 154.

<sup>5</sup> *Ibid*, 161–176.

## **Economic Situation in Pančevo 1918–1945**

Pančevo is a town located in the south of Banat, on the left bank of the river Tamiš. Until 1918,<sup>6</sup> Pančevo was part of non-Serbian states.<sup>7</sup> After the First World War, the city became part of the Kingdom of Serbs, Croats and Slovenes (later the Kingdom of Yugoslavia).

Before the war, the city owned industrial plants of silk, beer and oil, but given its geographical position, agriculture and trade contributed more.<sup>8</sup> With the entry into the Kingdom of Yugoslavia, greater importance was given to traffic and industry. Air lines to major European capitals such as Paris, Warsaw, Bucharest and Budapest appeared and the idea of building the Pančevo - Belgrade bridge emerged.<sup>9</sup> There were attempts to integrate Pančevo into the capital, but due to various factors, it never happened. The idea of connecting the two cities was realized in the middle of 1930, with the construction of the Pančevo bridge, and then foreign investors began to show interest in Pančevo. A glass factory was founded,<sup>10</sup> and the "Tesla" light bulb factory was also opened.<sup>11</sup> Textile factories, spinning mills, as well as the "Utva" aircraft factory were being established,<sup>12</sup> thus creating new jobs in a city that had over 22,000 inhabitants,<sup>13</sup> and Pančevo itself was becoming attractive for the immigration

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<sup>6</sup> Никола Милутиновић, *Панчево*, (Панчево: ИАП, 2011), 1.

<sup>7</sup> Until 1918, the city was located on the border of the Austro-Hungarian Monarchy and the Kingdom of Serbia.

<sup>8</sup> Срећко Милекер, *Историја града Панчева*, (Панчево: ИАП, 1994), 121–122; Група аутора, *Панчево 850. година касније*, (Панчево: Скупштина општине Панчево, 2003), 102–103.

<sup>9</sup> Ђорђе Влајић, *Град међу вихорима – хроника града Панчева*, (Панчево: Градска библиотека, 2020), 196.

<sup>10</sup> When the glass factory was founded, it employed 270 workers.

<sup>11</sup> Apart from the fertile soil and the proximity of the river Tamiš, Pančevo has no significant natural resources. The already mentioned proximity to the capital, but also the lack of space, influenced the interest of investors.

<sup>12</sup> Влајић, *нав. дело*, 196.

<sup>13</sup> Until the end of the Second World War, Pančevo was a multi-ethnic city, in which, in addition to Serbs, Germans, Hungarians, Jews and others lived.

of a new population, due to the construction of a bridge that connects it with Belgrade.<sup>14</sup>

### The Post-War Period in Pančevo (1944–1950)

After a three-year occupation, Pančevo was liberated on October 6, 1944.<sup>15</sup> The city of almost 26,000 people passed from the hands of the occupiers to the hands of the partisan army,<sup>16</sup> which took over all administrative tasks for the efficient functioning of the city.<sup>17</sup> Sources say that Pančevo suffered minimal damage during the war,<sup>18</sup> in the form of damage to individual housing units and petty sabotage of factories by employees, as a form of rebellion against the occupier.<sup>19</sup>

Big changes came to the city. The emigration of the German population and the absence of the Jewish population affected the demographic and economic situation of Pančevo,<sup>20</sup> but through the planned colonization of Vojvodina, families from all over Yugoslavia settled in their place.<sup>21</sup> The nationalization of private property was the next big change that lasted until 1946.<sup>22</sup> It was followed by development of the heavy industry, which became state property, and the state

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<sup>14</sup> Јован Ј. Илић, *Информатор 19*, (Панчево: ИАП, 1984), 73.

<sup>15</sup> Душан Богданов – Сенко, *Антифашистички покрет у Јужном Банату 1941–1944*, (Панчево: ИАП, 2005), 193–197; Срђан Божовић, Роберт Ресановић, *Битка за Панчево октобра 1944*, (Панчево: Друштво српско – руског пријатељства „Словенска унија“, 2020), 31–35.

<sup>16</sup> Илић, *нав. дело*, без стране.

<sup>17</sup> Marija Koršoš, Oktavijan Trifu, *Pivara u Pančevu 1722 –1972*, (Pančevo, Beograd: Privredno industrijski kombinat „Tamiš“, 1972), 101.

<sup>18</sup> ИАП, Ф. 210 Среска комисија за ратну штету – Панчево 1945–1947, кутија бр. 1, инвентарни бројеви 29–38.

<sup>19</sup> Божидар В. Недељковић, *Индустрија Панчево (књига 1)*, (Београд: Новинско издавачко предузеће „Недељне информативне новине“ Београд, 1959), 32–35.

<sup>20</sup> Before the war, 80% of the population, some of whom were Germans, were engaged in agriculture in the Pančevo area. After 1945, 32,000 Germans were evicted from South Banat and their absence was felt.

<sup>21</sup> After the war, agrarian reform was carried out through which new agricultural areas were created, and the colonization of people served so that these areas could be used.

<sup>22</sup> Nationalization was, among other things, due to the desire for maximum utilization of the potential of the economy and industry for the purpose of planned production and the reconstruction of the state.

invested in it through monetary aid.<sup>23</sup> With the help of the city government, factories periodically got new machines for work, with the aim of better and more efficient operations.<sup>24</sup>

The work that was set before the companies in Pančevo was fulfilled partially, because not every company was in ideal circumstances. For example, "Staklara" performed excellently, exceeding all work tasks. It was merged with the city gas company, and received direct gas supplies, in order to operate without interruption.<sup>25</sup> On the other hand, the "Tesla" light bulb factory, which worked very hard and badly until nationalization, fulfilled only 27% of the total production for the year 1946.<sup>26</sup> This situation was the result of the company's dependence on raw materials that had to be imported, as well as international trade, which was in the recovery phase.<sup>27</sup>

As for the wages, we know about the sum in the amount of 39,986 dinars, which was how much the workers of Pančevačka Pivara earned on average from 1947 to 1949.<sup>28</sup> Unfortunately, there is no relevant information about what the workers could afford for this amount of money. Still, there was work. It was done on agricultural land, new plants were opened and old industrial plants were renovated. The situation in which Pančevo was in was incomparably better than the cities that suffered the war. We know a little more about the city and its further economic development after 1950, when a new self-governing business system was established.

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<sup>23</sup> Grupa autora, *Osnovna privredna banka Pančevo*, (Pančevo, Novi Sad: Osnovna privredna banka 1989), 42.

<sup>24</sup> Недељковић, *нав. дело*, 56.

<sup>25</sup> *Ibid*, 34–35.

<sup>26</sup> *Ibid*, 55.

<sup>27</sup> Only from the following year, 1947, "Tesla" began to fulfill work tasks very successfully.

<sup>28</sup> The given data must not generalize the salary average for the whole city, but, due to the impossibility of finding data for some other companies or the average for the whole city, they are very important to us.

### Self-Governing Pančevo (1950-1963)

The emergence of the self-management system meant handing over factories, companies and other economic entities to the hands of labor collectives, which were considered the most suitable for managing their own enterprises.<sup>29</sup> The members of the labor collectives were all employees in a certain company, so that both the CEO and the housekeeper had an equal voice for solving all questions and problems.<sup>30</sup> Some of the problems that Pančevo work collectives faced were spatial, hygienic and other in nature. They were resolved gradually with the efforts of the authorities, because it was important for the collectives to do business.<sup>31</sup>

Despite the fact that more was invested in the development of industry in Pančevo, the primary activity of the people of Pančevo was still agriculture (as much as 65% of the territory of the Pančevo region was occupied by agricultural goods),<sup>32</sup> but production was hindered by the problem of taxation. Namely, the tax system of the Pančevo region was based on income taxation, which led to a drop in production and rise in prices.<sup>33</sup> In those years, a kilogram of potatoes cost 15, a kilogram of beans 60, and one egg was 10 dinars,<sup>34</sup> so for example, the workers of "Tesla", with their average salary of 14,500 dinars,<sup>35</sup> could afford 933 kg of potatoes, 233 kg of beans and 1450 eggs.<sup>36</sup> However, a compromise was found and a new cartulary taxation system

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<sup>29</sup> Зечевић, *нав. дело*, 157.

<sup>30</sup> Koršoš, *нав. дело*, 134–135.

<sup>31</sup> For example, "Tesla" moved to larger premises in 1953, which increased production by 2%.

<sup>32</sup> М. Рајковић, „Из рада тржишне инспекције: Изгубљени милиони“, *Панчевац*, 30.1.1954, 4.

<sup>33</sup> If a farmer produced more products in one year, he would have to pay a much higher tax, and he would not make a profit.

<sup>34</sup> В. С, „Кроз Панчево: Пад цена на пијаци“, *Панчевац*, 19.3.1954, 5.

<sup>35</sup> ИАП, Ф. 350 Фабрика сијалица „Тесла“ – Панчево 1946 - 1971, кутија бр. 78, Друштвени планови - 1957.

<sup>36</sup> The given data must not generalize the salary average for the whole city, but, due to the impossibility of finding data for some other companies or the average for the whole city, they are very important to us.

was introduced in 1954, and since then farmers have been paying taxes according to the size of their plots.<sup>37</sup>

In the 1950s, Pančevo resembled a construction site, and it was home to approximately 30,000 people.<sup>38</sup> Several buildings sprung up every year, and the construction of those buildings was financed by Pančevo companies, with the aim of providing their workers with a roof over their heads.<sup>39</sup> Over time, this practice gave rise to today's urban (then workers') settlements such as Tesla and Misa. Heavy industry slowly began to shape the city according to its own needs. Such a massive process required a considerable amount of material. That material was not imported, it was domestically produced. It was provided by "Cigлана" and "Staklara", together with carpentry companies, by increasing their capacities, in order to meet the new needs.<sup>40</sup>

However, the self-governing order did not always behave in the most positive manner. In several companies in the provinces of the Pančevo region, numerous irregularities in work as well as certain frauds were recorded.<sup>41</sup> Those companies functioned inefficiently and carelessly, and this would not have happened if regular inspections had been carried out. The problem was that in certain villages like Jabuka, Opovo and Padina there was a lack of professional staff, who should act as responsible administrative bodies. As a consequence of the aforementioned situation, a large number of these companies had to be liquidated.

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<sup>37</sup> The measure of the new tax system served as an assurance that in the coming years food items will not be imported, but on the contrary, will be domestically produced.

<sup>38</sup> Илић, *нав. дело*, без стране.

<sup>39</sup> Миодраг Рендић, *Животна средина и комунално уређење града Панчева*, (Панчево: ИАП, 1999), 32–33.

<sup>40</sup> М. Рајковић, „Почео претрес предлога друштвеног плана: Пораст производње“, *Панчевац*, 19.4.1954, 1-3.

<sup>41</sup> М. Рајковић, „Народни одбори недовољно контролишу рад предузећа“, *Панчевац*, 12.3.1954, 1-3.

### The 1960's and the Beginning of Industrial Domination in Pančevo

The transition from the 1950s to the 1960s was turbulent. There was a minor crisis in the economy followed by proportional inflation, but everything was resolved through state action.<sup>42</sup> One of the most extensive actions was related to integration of certain companies into several economic combines.<sup>43</sup> Of the newly formed combines, special focus was set on the Agricultural Industrial Combine "Tamiš" (further: PIK "Tamiš") based in Pančevo, which represented a collection of all companies with an agricultural base.<sup>44</sup> The idea of the combine turned out to be good in practice, but it did face some problems.<sup>45</sup> By integrating the companies, PIK "Tamiš" assumed all their rights and obligations. It had to pay off the debts of certain companies and provide funds for the reconstruction of certain buildings.<sup>46</sup> The money to settle those obligations, which could not be allocated from its own income, was found through loans, which were mostly granted by Komerцијална банка Pančevo.<sup>47</sup>

In order to make more profit in the coming years, it was decided that the city should focus even more on the development of the heavy industry. About 46 billion dinars have been set aside for its additional development. The city also worked on the formation of new industrial branches.<sup>48</sup> Consequently and due to the recognition of the great development potential of the chemical and oil industry in the area of Pančevo,<sup>49</sup> two new companies were founded, which will prove to be extremely

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<sup>42</sup> Драгослав Стефановић, „Тезе 1963“, *Панчевац*, 1.1.1964, 1.

<sup>43</sup> By integrating more companies into individual combines, greater and better business results would be achieved, considerable labor savings would be recorded, and all of the above would provide greater funds for the employees' personal incomes.

<sup>44</sup> The Pančevo agricultural goods, the Jabuka starch industry and the Pančevo national brewery are just some of the companies that have been integrated into the PIK "Tamiš".

<sup>45</sup> Koršoš, *nav. delo*, 161–163.

<sup>46</sup> Недељко Деановић, Лист ПИК-а Тамиш 23, „Неки проблеми интеграционе изградње комбината“, *Панчевац*, 25.10.1964, без стране.

<sup>47</sup> Група аутора, *nav. delo*, 50–51.

<sup>48</sup> Н. Терек „Друштвени план Панчева: Оријентација на крупну индустрију“, *Панчевац*, 29.2.1964, 2; М.Б. „Индустријска производња повећана за 54,2“, *Панчевац*, 30.5.1964, 1.

<sup>49</sup> They were reflected through (among other things) a good geographical location, proximity to a sufficient amount of water via the river Tamiš and its tributaries, the hiring of new professionals, the discovery of large oil deposits in the Banat area, etc. With the construction of the Refinery, the need to



important for the future of the city - Chemical Industry Pančevo (hereinafter: HIP) and the Oil Refinery of Pančevo.<sup>50</sup> Of course, agriculture was not abandoned, but heavy industry began to take precedence in business. The operations of other industrial plants during the sixties were either better than in the previous period (like "Utva", which started producing new products) or they needed reconstruction (like "Staklara").<sup>51</sup> Also, due to the increase in the prices of the basic raw materials, an aggressive export policy to Western countries was started, in order to achieve a significant foreign currency inflow of funds.<sup>52</sup> A good example of this is the "Trudbenik" spinning mill, which after reconstruction<sup>53</sup> was among the leading export companies in Pančevo.<sup>54</sup>

The gradual development of Pančevo into a large industrial center led to an increase in the number of inhabitants, and during the 60s the town had over 40,000 inhabitants.<sup>55</sup> This number made it imperative for the city authorities to invest more money in the construction of new buildings and the new settlement of Strelište.<sup>56</sup> The life and income of the people of Pančevo were decent and the smallest income did not fall below 20,000 dinars, and efforts were being made to increase it.<sup>57</sup> Citizens could provide themselves a vacation, and certain companies, such as HIP, provided

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transfer oil and natural gas from the western parts of Yugoslavia to Vojvodina and Serbia would no longer be so necessary.

<sup>50</sup> Радиша Илић, „Панчево – будући југословенски центар хемијске индустрије“, *Панчевац*, 1.1.1964, 3; Група аутора, *Рафинерија нафте Панчево – 30 година*, (Novi Sad: Naftna industrija Srbije, 1998), 11–14.

<sup>51</sup> ИАП, Ф 344 – Фабрика авиона „Утва“ – Панчево, 1946–1980, кутија бр. 424, Технички сектор, Извештај о раду техничког сектора.

<sup>52</sup> В. Булатовић, „Размотриће се ових дана колико ћемо извозити следеће године“, *Панчевац*, 25.10.1964, 2.

<sup>53</sup> ИАП, Ф.333 Предионица памучног предива „Трудбеник“ – Панчево 1946 – 1982, кутија бр. 137, Документација уз захтев за зајам за проширење предионице.

<sup>54</sup> А.М, „Из наших колектива: „Трудбеник“ постаје запажен извозник“, *Панчевац*, 7.3.1964, 2.

<sup>55</sup> Пић, *nav. delo*, 138.

<sup>56</sup> New buildings very often sprung up on the foundations of old houses. However, the construction was sometimes hindered by financial troubles as well as planning problems. It happened that the construction of the building started with a half-finished plan that had to be refined during the actual works.

<sup>57</sup> Дане Унчевић, „Синдикат расправља о стандарду: Најнижи лични доходак 20.000 дин“, *Панчевац*, 20.6.1964, 1–5.

minimal financial benefits to their workers in order to make this possibility even easier for them.<sup>58</sup> However, their standard of living in certain cases decreased, due to the lack of raw materials, basic foodstuffs, and occasional electricity restrictions. For example, due to the impossibility of transferring coal from state mines to Pančevo, the price of coal has risen drastically.<sup>59</sup> The education system was also a problem for the citizens, due to the high cost of school supplies,<sup>60</sup> the purchase of textbooks alone amounted to about 2900 dinars.<sup>61</sup>

### The "Golden Age" of Pančevo (1970s)

The government decided to abolish *srez* (county) as an administrative unit in the year 1965,<sup>62</sup> and another novelty of those years in Yugoslavia was the appearance of "new dinars", the value of which was 20% lower than the "old" ones, due to negative tendencies in the Yugoslav economy, the cause of which was the abolition of denominations.<sup>63</sup>

Pančevo welcomed the 1970s as an economic giant. To get such an epithet, the city worked hard for thirty years. The heavy industry that has been developing for years has become a stable ground on which the economy of Pančevo, together with the living standard, could rely. Pančevo brands were well known from Triglav to Vardar and were sought after abroad.<sup>64</sup> During these years, Pančevo had a better economy than the whole of Montenegro.<sup>65</sup> However, due to careless management, the

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<sup>58</sup> Никола Терек, „Из наших колектива: Хемијска индустрија пред две прославе“, *Панчевац*, 25.4.1964, 2.

<sup>59</sup> „Актуелно: Дохотци и стандард“, *Панчевац*, 9.5.1964, 2.

<sup>60</sup> *Панчевац*, број 576–7, страна 1, *Тезе 1963*, Драгослав Стефановић.

<sup>61</sup> М. Б, „Колико стаје школовање једног основца“, *Панчевац*, 27. 9. 1964, 3.

<sup>62</sup> „Укида се срез“, *Панчевац*, 20.12.1964, 1–3.

<sup>63</sup> The municipalities, which inherited the counties, were not yet able to bear full responsibility for all revenues and expenditures.

<sup>64</sup> Славко Павлов, „Панчево: од паорске вароши до индустријског града“, *Панчевац*, 5.10.1974, 7.

<sup>65</sup> Interview with Mr. Milorad Adamović, Pančevo, 18 3. 2023. He was born in Bosnia in 1958. From 1983 to 1998, he worked at Staklara on maintenance of process equipment and in the computer center. Mr. Adamović claims that the story that can often be heard around Pančevo is correct, that this city at one point had a better economy than Montenegro.

city failed to rise to the level of cities like Novi Sad and Belgrade at the peak of its economic power. Due to the absence of an urban plan, factories like "Refinery", "Petrohemija" and "Azotara",<sup>66</sup> which were serious polluters of the environment, were located barely 4 km from the city center.<sup>67</sup> Because of this, the living conditions could be very bad.<sup>68</sup> Nevertheless, the number of inhabitants was growing rapidly and reached the number of 54,444 inhabitants, which was twice as many inhabitants as after the liberation of Pančevo.<sup>69</sup> People moved from less developed parts of the country (mostly from South Banat) to Pančevo for employment.<sup>70</sup> What further adds importance to this number is the fact that as many as 30,000 people were employed in the city's economy.<sup>71</sup> In three decades of work and effort, the city had (more than) doubled its population.<sup>72</sup> The average income of citizens amounted to an average of 2,280 dinars,<sup>73</sup> and the highest wages were paid to workers employed in the main industrial plants (an average of about 3,000 dinars), while the lowest were paid to the craftsmen (only 1,650 dinars).<sup>74</sup> We know the amount of prices of a certain number of foodstuffs, which helps with discerning what the people of Pančevo could afford for an average salary in the indicated period. During the 70s, it was possible to buy more than 2000 kg of potatoes, 760 kg of apples and about 268 kg of beans.<sup>75</sup> As for the price of (white) bread, it was 5 dinars. Despite the high standard of living that the people of Pančevo enjoyed at this time, life in the city itself was more expensive than

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<sup>66</sup> Petrohemija and Azotara were part of HIP.

<sup>67</sup> Attachment 10.

<sup>68</sup> Vladimir Stukalo, *Procena uticaja zagađenog vazduha na zdravlje stanovnika Pančeva (1965–1995)*, (Pančevo: Knjižara Prota Vasa, 2001), 11–14.

<sup>69</sup> Plić, *nav. delo*, bez strane.

<sup>70</sup> Interview with Mr. Nebojša Kovac, Pančevo, 27. 2. 2023. He grew up in Orlovat. He has been employed at the Gymnasium since 1983.

<sup>71</sup> If we add the fact that in 1974 there were about 15,000 students in Pančevo, we get a number of 45,000 people. When we subtract the newly obtained figure from the total number of citizens, we get the number of 9,444 people, that is, only 17.3% of the labor-inactive population.

<sup>72</sup> Љиљана Живковић, „Три деценије наше стварности“, *Панчевац*, 5.10.1974, 3.

<sup>73</sup> „Панчевачка привреда од јануара до јула: Пораст индустријске производње“, *Панчевац*, 24. 8. 1974, 1–2.

<sup>74</sup> „На маргинама шестомесечног биланса панчевачке привреде: Живот све скупљи – стандард (ипак) расте“, *Панчевац*, 31. 8. 1974, 1–2.

<sup>75</sup> „Акција општинског већа савеза комуниста: Јефтинија зимница“ *Панчевац*, 16. 9. 1974, 4.

living in a city in the rest of the country (the Yugoslav average increase in the cost of living in 1974 was 23.4%, while in Pančevo it was the figure was 24.8%).<sup>76</sup>

The inflationary problem that plagued the city of Pančevo had to be cured in some way. There were various types of fight against inflation for the sake of maintaining the hard-won pre-inflationary standard. The emphasis on export policy was even greater than during the 60s - export volume was increased by as much as 50%, so the phenomenon of individual companies working in multiple shifts, in order to meet export needs, was not uncommon.<sup>77</sup> The greatest demand for Pančevo products existed in the countries of Eastern Europe (as much as 43.2%).<sup>78</sup> The next measure was to increase industrial production. Heavy industry, as the main economic branch, had to bear the biggest burden in order for the anti-inflationary plan to succeed. In this period, "Rafinerija", "Petrohemija", "Azotara" and PIK "Tamiš" stood out in terms of business success, while the rest of the companies managed to hold their head above the water.<sup>79</sup> On the other hand, "Staklara" had to integrate with the glass factory from Lipik due to its lack of money and the inability to satisfy the market demands.<sup>80</sup> Agriculture also provided significant help to maintain standard, despite the fact that now only 25% of the population was engaged in it (of which 16% were independent farmers, as the rest of the land was owned by PIK "Tamiš").<sup>81</sup> In addition to that, austerity was the last implemented measure. Each company, as well as an individual, would allocate a certain amount of money to a self-contribution fund, from which money would later be allocated to solve the city's needs (building a city park, a new hospital wing, library, etc.).<sup>82</sup> The saving process was the best in

<sup>76</sup> М. Шашић, „Панчево скупље од Југославије“, *Панчевац*, 2. 2. 1974, 2.

<sup>77</sup> „Због извоза у „Тесли“ раде и недељом“, *Панчевац*, 26. 1. 1974, 1.

<sup>78</sup> Н. Д, „Робна размена са иностранством: у 1974 рекордно повећање извоза“, *Панчевац*, 16. 3. 1974, страна 2.

<sup>79</sup> Н. Д, „Три месеца панчевачке привреде у 1974: Први плодови стабилизације“, *Панчевац*, 1. 6. 1974, 2.

<sup>80</sup> „Стактларце брине беспарица“, *Панчевац*, 28.11.1974, 2.

<sup>81</sup> Ј. Николић, „Са саветовања комуниста запослених у пољопривреди, прехрамбеној индустрији и прометним организацијама: Комбинат „Тамиш“ носилац развоја агро – индустријског комплекса“, *Панчевац*, 9.9.1974, 2.

<sup>82</sup> „Самодопринос 1972–1977: До сада све по плану“, *Панчевац*, 21.1.1974, 1.

those companies that fully implemented self-management.<sup>83</sup> Through this process, the heavy industry increased its capacities, and therefore scrap and stocks were reduced. Although the city had the capacity to employ 30,000 people, many of them remained unemployed, due to the mentioned measures, every new job meant a threat to the standard.<sup>84</sup>

### **The Last Period (1980-1990)**

The measures implemented to preserve the living standard have (at least apparently) borne fruit. The goals for utilizing the heavy industry were realized, and therefore the capacities were used to the maximum. The savings contributed to the construction of cultural, health and communal institutions in the city. Nevertheless, inflation continued to threaten the standard, and the need for loans arised, so that the ambitious projects of an economic giant could be realized. The phenomenon of one or more companies taking loans was not new. On the contrary, those loans were the biggest sources of investments.<sup>85</sup> They were taken from domestic banks, with the aim of being returned in a relatively short period of time. However, the loans were granted mainly from abroad,<sup>86</sup> and for every 100 of their own, Pančevo companies spent 220 foreign dinars - and that could not ensure prosperity.<sup>87</sup>

The desire for greater production, as well as large investments, led to the fact that Refinery,<sup>88</sup> Petrohemija and Azotara ammassed 80% of the total industrial income (the Refinery itself is even 41.9%) .<sup>89</sup> This distribution of forces had a bad effect on the

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<sup>83</sup> „Штедња и стабилизација: Не прекидати акцију“, *Панчевац*, 9. 2. 1974, 2.

<sup>84</sup> М. М, „Против запошљавања по сваку цену“, *Панчевац*, 21. 1. 1974, 1.

<sup>85</sup> Н. Д, „Осврт: Рука у цепоу“, *Панчевац*, 20. 4. 1984, 2.

<sup>86</sup> There were cases where one company lent money to another, and the problem would arise the moment the company that took the loan could not pay it back, because then both would be out of money.

<sup>87</sup> To repay the loan, companies set aside more and more from their total income year after year: 9.4% in 1979, 10.7% in 1980, while in 1982 the percentage jumped to 19.4%.

<sup>88</sup> Grupa autora, *Južni Banat poslovno turistički vodič*, (Beograd: RO „Dragan Srnčić“, 1982), 88–89.

<sup>89</sup> Н. Д, „Од суботе до суботе: Изгубили цео месец“, *Панчевац*, 3.2.1984, 1; Н. Д, „Осврт: Ко квари слику“ *Панчевац*, 23.3.1984, 2.

economic picture of Pančevo. A city that boasted about the independence and diversity of its industry had now become monotonous. These three companies did bring significant profit to the city, but in times of need, it had a bad effect on the entire economy of the city. The rest of Pančevo's economy (which now depended on the import of raw materials) had to focus on exports in order to secure income. A very small number of companies engaged in exports (only 9 out of 28) managed to fulfill the export plan, which was too ambitious for that time.<sup>90</sup> Examples of such companies are "Utva" and "Trudbenik". The bad state of the economy led to a drop in production by 0.5%. At first glance, this figure looks minor, but in fact, it is a loss of several million dinars.<sup>91</sup> Although the Pančevo economy was in a difficult position during these times, its enormous influence on the entire Autonomous Province of Vojvodina (further: AP Vojvodina) was not unnoticed. The economic losses of Pančevo companies amounted to as much as 50% of the entire economic losses of the Province. It is important to note that the city of Pančevo employed only 7.7% of the total workforce in Vojvodina and had a share of 12.8% in the total income of AP Vojvodina.<sup>92</sup>

As for the life of the people of Pančevo, the situation was completely opposite.<sup>93</sup> Salaries, along with the prices of basic foodstuffs, rose and fell from time to time, usually every six months. Many claim that during the period of the 80s of the XX century, it was the best time to live.<sup>94</sup> The average salary was 21,233 dinars.<sup>95</sup> There was an income gap between industrial and non-industrial workers. For example, the highest salary of a professor was about 90,000 dinars, while in Utva it

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<sup>90</sup> „Спољнотрговинска размена у 1983. години: Извоз 139 милиона долара“, *Панчевац*, 20.1.1984, 2.

<sup>91</sup> The "new" dinars were no longer valid.

<sup>92</sup> Н. Д, „Најважније карактеристике пословања панчевачких привредних кућа у 1983: Анализа без декоративног омота“, *Панчевац*, 13.4.1984, 2.

<sup>93</sup> „Варошарије – Панчево (1988)“, <https://www.youtube.com/watch?v=82sF8E5rqAo&t=2108s> (24. 3. 2023).

<sup>94</sup> Interview with Ksenia Beč, Pančevo, 2. 3. 2023. Mrs. Beč is a professor of Serbian language and literature at the "Uroš Predić" Gymnasium in Pančevo. She was born in 1960 in Pančevo.

<sup>95</sup> „Осврт: Колики су губици“, *Панчевац*, 1. 6. 1984, 2.

was 63,000 dinars.<sup>96</sup> Looking at the average, the highest salaries were received by workers in heavy industry (22,208 din), and the least in forestry (18,634 din).<sup>97</sup> In spite of the inflation,<sup>98</sup> the people of Pančevo could afford a consumer basket of about 5,000 dinars.<sup>99</sup> Although the economic condition of the city was not the best, the citizens lived relatively peacefully until the end of the decade.<sup>100</sup> Based on oral sources, we found that people in this period were not aware that the situation would change very quickly.<sup>101</sup>

During the 1990s, a civil war shook Yugoslavia. Even higher inflation together with sanctions hit all parts of the country, including Pančevo. For these reasons, but also because of the inability to pay huge debts, many companies in Pančevo ceased to exist. In order to save the economy and ease the economic situation, companies that continued to operate were privatized.<sup>102</sup> Domestic and foreign private persons thereby bought companies at very low prices.<sup>103</sup> The aggression of the NATO pact on the Federal Republic of Yugoslavia in 1999 ended the Pančevo economy, because the remaining Pančevo industrial facilities were bombed.

Today, the situation is different compared to the period described in the paper. The average salary in Pančevo is 72,300 dinars, but citizens need more than

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<sup>96</sup> „Шестомесечни лични дохоци по организацијама и квалификацијама: Фирма пуни коверат“, *Панчевац*, 7.9.1984, 1-2.

<sup>97</sup> П. Мејчић, „Како делује закон о ограничавању раста личних доходака – мање зараде, лошије расположење“, *Панчевац*, 31.8.1984, страна 3.

<sup>98</sup> Attachment 12.

<sup>99</sup> „Колико кошта потрошачка корпа: Поскупели брашно, детрџенти Панчевац“, 28.12.1984, 3.

<sup>100</sup> Interview with Karolina Lacko, Pančevo, 1. 3. 2023. Mrs. Lacko is a professor of sociology at the "Uroš Predić" Gymnasium in Pančevo. She was born in Slovenia in 1958, and has been employed at the Gymnasium since 1985.

<sup>101</sup> Interview with Radmila Nikolić, Pančevo, 3. 3. 2023. Mrs. Nikolić is a German language teacher at the "Uroš Predić" Gymnasium in Pančevo. In the period from 1985 to 1990, she worked as a foreign correspondent for the German language at the "Tesla" light bulb factory.

<sup>102</sup> Tomislav Popović, *Osnove tranzicije i program privatizacije (Slučaj Jugoslavija)*, (Beograd: Institut ekonomskih nauka, 1996), 68.

<sup>103</sup> Jelena Milosavljević, Isidora Milošević, *Privatizacija u Republici Srbiji*, 105, 2019, <https://scindeks-clanci.ceon.rs/data/pdf/2217-4958/2019/2217-49581902101M.pdf> (4. 3. 2023).

one salary in order to provide an average consumer basket (85,700 dinars).<sup>104</sup> Out of the once numerous companies, only “Rafinerija”, “Petrohemija” and “Utva” have survived, but they operate according to different principles today.

## Conclusion

The economic situation in Pančevo in the period from 1944 to 1990 was apparently favorable. The city has developed from a rural place, where 80% of the inhabitants were engaged in agriculture, into a true industrial center. Pančevo brands were recognizable throughout the country, but were also sought after abroad. The self-governing system that was implemented in Yugoslavia had positive consequences for the city, but it was not adequately spread throughout the surroundings of Pančevo. Due to carelessness in management, the city never fully utilized its potential, which is the reason why Pančevo is no longer an economic giant today. Due to the industry that dictated the physiognomy of the city, heavy environmental polluters factories were built very close to the city and its center. However, it was the only solution in order to develop the industry. The influence of agriculture was a dominant factor in the development of the city and represented the basis for its further progress, which was more influenced by industry. The life of the people of Pančevo was generally easy, but the citizens earned that ease through hard work, without which the city would not have risen to the heights it has reached. Even though the environment was damaged by the work of industrial enterprises, the standard itself was extremely high, and so were the wages. The collected data, together with the analyzed statements of the citizens, show that the people of Pančevo were mostly able to buy what they needed. Therefore, the consumer basket, whose price varied, was always full. That variation was conditioned by the ratio of wages, which changed over time, as given in attachment 2. The city was a magnet for

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<sup>104</sup> Marija Jovanović, „Prosečna potrošačka korpa u Pančevu 20.000 dinara veća od prosečne plate“, 20. 9. 2022, available at: <https://biznis.rs/novac/prosecna-potrosacka-korpa-u-pancevu-20-000-dinara-veca-od-prosecne-plate/> (3. 4. 2023).



settlers, because its development provided new jobs. From the beginning to the end of the period of the research, the number of inhabitants in Pančevo is constantly growing (see attachment 3). The research tried to determine when it was actually best to live in the city, and in order to make the conclusion as precise as possible, every parameter, data and figure was taken into account. Using that method and combining all the collected data, it would seem that the period from 1974 to 1980 represents the golden age of Pančevo, and people lived relatively well until the 90s. How was this conclusion reached? It was observed that during the 70s, the salaries of the people of Pančevo were the highest for the period of the research, which had a direct impact on the increase in the number of inhabitants. Finally, a city on the left bank of the Tamis during the 70s had a better economy than the whole of Montenegro. Remnants of the city's once powerful economy are evident today through several aspects. First of all, the city owes its current appearance to heavy industry, once its primary economic force. Therefore, the inhabitants of numerous settlements can be grateful to the urban development, which enabled the formation of their homes. However, the great pollution of the city is a negative remnant of Pančevo's glorious past.<sup>105</sup>

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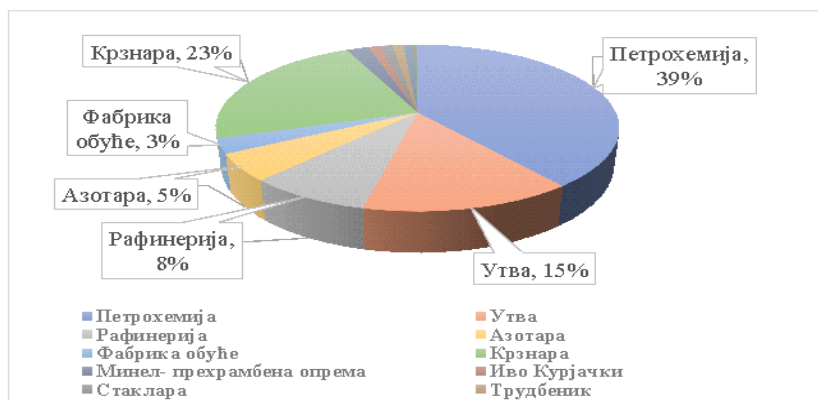
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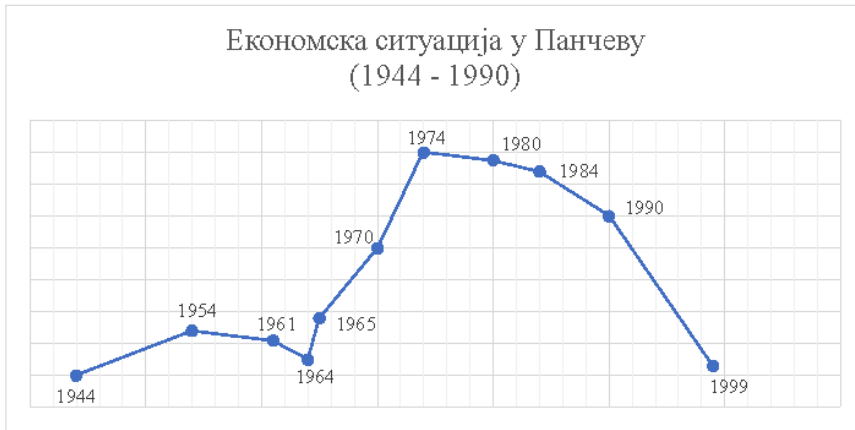
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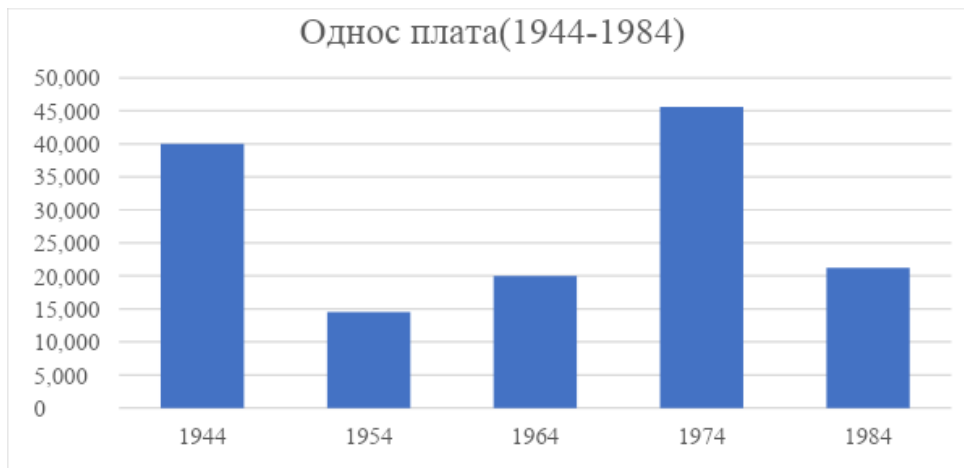
## Illustrations



Attachment 1: Exports in 1983, made by author.



Attachment 2: Graphic representation of the economic situation in Pančevo in the period from 1944 to 1990, made by the author.



Attachment 3: Comparison of wages (1944–1984), made by author. *NB*: the inflation could skew the real image.



Attachment 4: Population of Pančevo (1931–1990), made by author.



Attachment 5: Interview with Mr. Milorad Adamović (photo by Milana Banković)



Attachment 6: “Staklara”, modern-day look, photo: author.

Производ	количина	1983. децембар	1984. децембар
Шећер	1 кг	52,56	86,84
Брашно	1 кг	32,99	47,76
Уље	1 литар	124,61	167,67
Млеко	1 литар	32,00	42,00
Хлеб	800 грама	26,00	44,00
Путер	125 грама	65,33	88,38
Јогурт	1/2 литра	28,58	39,70
Јаја	10 комада	140,00	175,00
Свињска крменадла	1 кг	383,00	440,00
Пилетина	1 кг	221,00	331,00
Јунеће месо	1 кг	394,80	505,00
Паризер	100 гр	26,85	32,81
Вишле	1 кг	337,28	436,44
Паштета	150 грама	32,00	47,38
Кисела паприка	1 кг	69,23	118,00
Цем	1 кг	84,68	150,00
Вегета	1/2 кг	126,84	195,00
Кромпир	1 кг	28,04	49,58
Лук црни	1 кг	29,75	42,48
Шампон	200 гр	83,22	149,58
Сапун	1 ком	50,16	62,70
Дезодорано	1 ком	182,12	383,52
Пене за бријање	1 ком	157,79	171,00
Детерџент	3 кг	271,15	398,50
Паста за зубе	1 комад	54,50	68,40
Средство за посуђе	1 комад	49,30	206,40
<b>УКУПНО:</b>		<b>3.083,79</b>	<b>4.379,14</b>

Attachment 7: Consumer basket in 1984 (Pančevac)



Attachments 8 and 9: Work collectives "Tesla" and "Trudbenik" (Историјски архив у Панчеву, Фонд 12 – Збирка фотографија – 1934, 1955)

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## Економска ситуација у Панчеву (1944–1990)

Овај научно-истраживачки рад бави се Економском ситуацијом у Панчеву од 1944. до 1990. године. Временске маргине истраживања постављене су ради покушаја периодизације економског развоја (самим тим и успона и падова) града. Иако је термин економија врло комплексан и опширан, у раду смо га употребљавали као збирни појам за прегршт, мање – више повезаних феномена, од којих би издвојили индустрију, привреду и инфлацију. Оваквим разумевањем економије, наше истраживање треба да буде што аутентичнији приказ економског стања града Панчева, кроз које пратимо његов развој током деценија. Циљ нашег истраживања био је да схватимо каква је економска ситуација у наведеном периоду била, као и да сазнамо како су становници Панчева заправо живели, у граду чију је прошлост обележила јака индустрија. У раду је истакнут један део кључних проблема који су били актуелни у граду током периода истраживања. Како не постоји једно дело које се бави читавом економском тематиком на простору Панчева из посматраног периода, а и обзиром на опширност теме, наш истраживачки процес морао је бити свеобухватан. Током истраживања, стручна литература заједно са историјском грађом чиниле су најбитнији део нашег истраживања, које смо заокружили радом на терену употребом електронског садржаја и прикупљањем усмених извора од стране одређеног броја грађана Панчева. Наравно, сви прикупљени подаци спроведени су кроз критички апарат. Током истраживања нисмо се



Dobrica Banković, *Economic situation in Pančevo (1944–1990)*

довољно посветили јавним финансијама града, у које спадају порези, приходи, расходи и др.

*Кључне речи:* Економска ситуација, Панчево, период од 1944. до 1990. године, индустрија, живот