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A cautionary tale of industrial decline, economic grievances, and far-right voting

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Abstract

Economic grievances are central in explaining the rise of right-wing illiberalism. Grievances allow challenger parties to rally around scapegoating outsider groups, such as ethnic minorities, immigrants, or foreigners. Some research argues that continuing decline allows illiberal parties to consolidate power by entrenching and polarizing around such cleavages. However, when illiberal parties are in power and economic decline continues, we argue that, absent cultural cleavages, retrospective economic voting prevails. Zooming in on the case of Trstenik, a Serbian town with a significant industrial legacy, strongly affected by deindustrialization, we leverage data from a novel survey and semi-structured interviews in a mixed-methods approach. We document clear patterns of existing grievances and blame on the government. However, positive, hopeful interpretations also exist among affected individuals. We show that support for the illiberal right-wing incumbent Serbian Progressive Party (SNS) is positively associated with positive interpretations and negatively associated with grievances. Our study contributes an important qualifying account to current debates about the economic roots of right-wing illiberalism by highlighting the importance of scope conditions.

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1 Introduction

Economic decline breeds support for populist and illiberal political actors. Communities exposed to deindustrialization, globalization, and long-term economic stagnation often experience grievances that translate into electoral support for illiberal candidates ([Bekhtiar, 2025](#); [Broz et al., 2021](#); [Dancygier et al., 2025](#); [Blossey et al., 2025](#)). Related research highlights the role of place-based resentment, political neglect, and the growing divide between prosperous urban centres and struggling peripheral communities ([Cramer, 2016](#); [Patana, 2022](#); [Rodríguez-Pose et al., 2023](#); [Dancygier et al., 2025](#); [Cremaschi et al., 2025](#)). Whether rooted in globalization, technological change, labour-market insecurity, or disappointed future expectations, these accounts generally converge on a common expectation: economic decline generates grievances, and grievances increase support for illiberal political actors, often on the far right ([Anelli et al., 2021](#); [Kurer, 2020](#); [Kurer and Van Staaldunen, 2022](#)).

Yet much of this literature implicitly assumes that right-wing illiberals are challengers rather than incumbents. Economic grievances are expected to create demand for anti-establishment alternatives, outsider politicians, or political entrepreneurs promising protection and renewal ([Eichengreen, 2018](#); [Sprong et al., 2019](#)). But what happens when populists themselves hold power and economic decline continues? Do grievances still sustain support for illiberal incumbents, or do they instead trigger retrospective punishment?

We address this question through the case of Trstenik, a small industrial town in central Serbia. During socialist Yugoslavia, the town was transformed by Prva Petoletka Trstenik (PPT), a large manufacturer of hydraulics and pneumatics that became one of the country's most important industrial enterprises. At its peak, PPT employed close to 15,000 workers directly and shaped virtually every aspect of local economic and social life. Following the collapse of socialism and the turbulent period of the 1990s and 2000s, the company experienced a dramatic decline. Today, only around 125 workers remain employed.

If industrial decline generates grievances that fuel support for illiberal right-wing parties, Trstenik should be a highly favourable environment for the Serbian Progressive Party (Srpska napredna stranka, SNS). Especially since PPT is deeply rooted in the collective identity of the town.

Yet this expectation is not borne out. Despite decades of economic decline and the enduring symbolic importance of PPT, support for the SNS in Trstenik remains comparatively weak in 2026. We argue that the answer lies in how citizens assign political meaning to economic decline. Existing grievance models assume that perceptions of neglect and abandonment ultimately reinforce support for illiberal actors, particularly when structural economic change negatively interferes with deeply rooted identities ([Cramer, 2016](#); [Patana, 2022](#)). By contrast, we argue that under conditions of right-wing illiberal incumbency, economic decline may produce a different political logic. Citizens continue to experience grievances and frequently interpret industrial decline as evidence of political neglect. However, because the illiberal party itself occupies positions of political power, responsibility for decline can no longer be easily displaced onto distant elites or establishment actors. Instead, perceptions of neglect become negatively attributed to the incumbent and activate retrospective accountability mechanisms. Further, Trstenik is overwhelmingly mono-ethnic and has a negligible migrant population; citizens have few socio-cultural out-groups to blame for economic hardship. Under these conditions, we therefore expect retrospective accountability mechanisms to dominate over grievance-based support for illiberal incumbents. Economic grievances weaken rather than strengthen support for illiberal incumbents.

Importantly, economic decline does not carry a single political meaning. Citizens may interpret it as evidence of political neglect or as a source of local pride and resilience. These interpretations have different implications for political behaviour. When decline is understood as political neglect, retrospective accountability mechanisms lead citizens

to withdraw support from the incumbent. However, it could be that when decline is interpreted as a symbol of resilience and collective endurance, support for the incumbent is more likely to be sustained.

Empirically, we draw on an original survey of 1,003 respondents conducted in Trstenik and a series of semi-structured interviews with former workers, trade union representatives, and (former) managers. From the semi-structured interviews, we learn that the fate of PPT is deeply entangled with local identity. Against this backdrop, using a measure of personal connectedness to PPT based on whether survey respondents have family members who worked or currently work at the company, we trace how industrial decline is interpreted and translated into political attitudes. We show that respondents with stronger personal ties to PPT are simultaneously more likely to perceive the company's decline as evidence of political neglect and to view PPT as a symbol of local resilience and pride. They also evaluate economic conditions more negatively and are more likely to attribute responsibility for the town's economic difficulties to political actors rather than to citizens themselves. Most importantly, stronger personal connectedness to PPT is associated with lower support for the SNS. Perceptions of neglect follow the logic of retrospective accountability and are negatively associated with support for the incumbent, while positive symbolic interpretations of PPT's legacy are associated with greater support for the SNS.

Our findings contribute to the literature on the economic roots of right-wing illiberalism in three ways. First, we show that economic decline does not possess a fixed political meaning. The same economic experience can generate distinct interpretations with opposing political consequences. Second, we extend grievance theories by demonstrating that illiberal incumbency fundamentally alters the political implications of economic grievances. When illiberals govern, grievances may generate retrospective punishment rather than support. Third, we identify an important scope condition for grievance-based accounts of illiberal support. In contexts where socio-cultural out-groups are largely ab-

sent from political conflict, economic grievances are less easily redirected toward external targets and more likely to be directed toward those in power. The case of Trstenik demonstrates that industrial decline does not automatically translate into support for right-wing illiberalism. Where socio-cultural cleavages are absent, economic grievances may instead activate retrospective accountability mechanisms.

The following section discusses the theoretical framework and summarizes the relevant literature. Section 3 presents our research strategy. Section 4 discusses the interpretations of PPT's decline and its implications for the support of the SNS based on the survey results. Section 5 discusses the political meaning of economic decline based on semi-structured interviews. The paper ends with a concluding discussion.

2 Theory

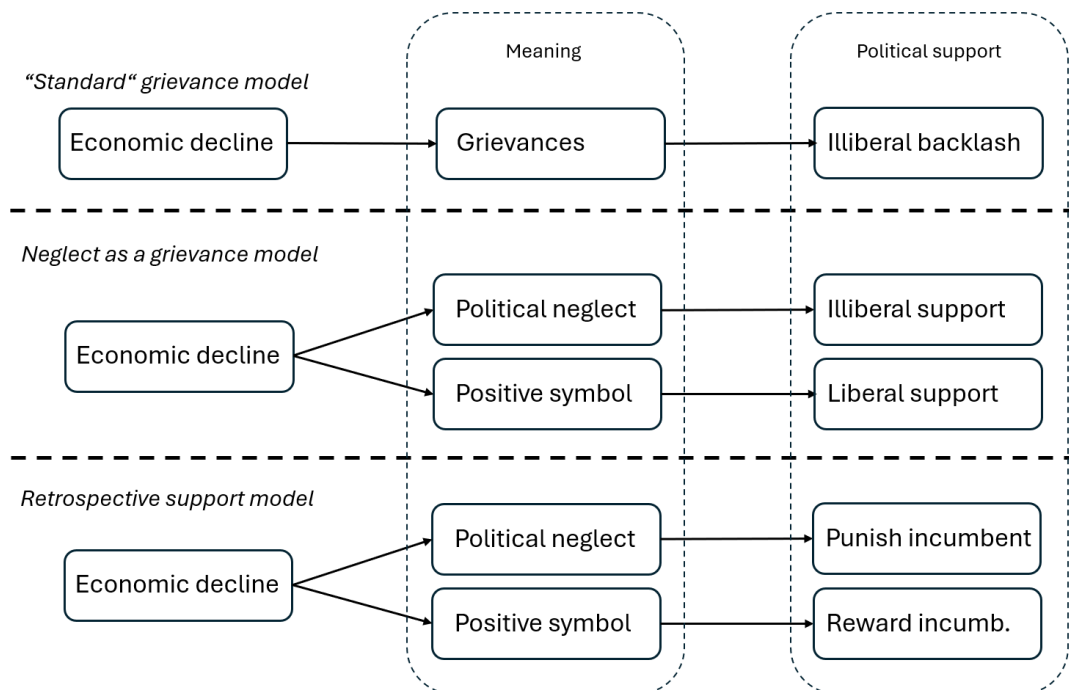
2.1 Grievance models of illiberal support

Theories of economic grievances translating into support for illiberal political actors are plenty (Berman, 2021). In their most reductive form, these theories can be condensed into a causal chain broadly looking like this: Economic decline → grievances → illiberal support (see Figure 1, top panel). Accounts differ on many important considerations. Deindustrialization often appears as the root of economic decline (Baccini and Weymouth, 2021; Bekhtiar, 2025; Becker et al., 2017), and so is globalization (Colantone and Stanig, 2018). Deindustrialization is often subsumed under globalization, because arguably, in many cases (from the West), both phenomena go hand in hand (Mansfield et al., 2021; Walter, 2021; Broz et al., 2021). The place-based resentment strand of the literature focuses on the urban-rural divide and arguments about rural resentment and the belief of rural communities to be politically neglected (Cramer, 2016; Rodríguez-Pose et al., 2023; Dancygier et al., 2025; Cremaschi et al., 2025). Others emphasize labor market dynam-

ics caused by technological change (Anelli et al., 2021; Kurer, 2020). In this literature, Kurer and Van Staalduinen (2022) champions the idea of forward-looking expectations, i.e., disappointed expectations, rather than past economic performance. Im et al. (2019) emphasize the susceptibility of those just getting by economically to illiberal right-wing appeals. This resonates with the broader scholarship on more general labor market dynamics and the changing structural nature of the working class, which highlights insecurities about the future as reasons for electoral realignment from the left to the illiberal far right (Emmenegger et al., 2012; Häusermann et al., 2020).

Most of this literature implicitly acknowledges some form of retrospective motive in illiberal support, often via anti-establishment sentiments amid economic grievances. Some argue that the motive of a saviour in the form of a strong outsider is particularly helpful to accumulate support (Eichengreen, 2018; Sprong et al., 2019). When the saviour is in place, however, how does the story continue? In many cases, illiberal leaders have proven resilient despite questionable economic performance. Some scholars emphasize partisan polarization and cultural grievances, not economic grievances, at the center of their arguments, which explains better why illiberal incumbents easily survive economic downturns (Abramowitz and McCoy, 2019). Following the argument of Margalit (2019), economic grievances would matter only on the margin, while cultural grievances motivate mass support. Under such considerations, illiberals can come into power with the help of economic grievances on the margin, but stay in power long term due to underlying cultural grievances. The prospect of illiberal candidates holding on to power in a coercively clientelistic democratic system like Serbia is even higher (Petrović, 2026). However, this should not be interpreted as popular support.

Figure 1: Models of political support amid economic decline



Note: Panel 1 (top) illustrates a general reductive view of models of economic grievances and illiberal support. Panel 2 (middle) shows an applied version of a grievance-based model in our case. Panel 3 (bottom) shows a retrospective voting model applied to our case.

2.2 Retrospective support model

Under the scope conditions we study, we have a long-term illiberal incumbent, ethnic homogeneity, and negligible migration, particularly from culturally diverse places of origin. We thus expect that an economic voting logic prevails. Theories of economic and retrospective voting have a long tradition in Political Science ([Rice, 1928](#); [Tibbitts, 1931](#); [Lewis-Beck and Stegmaier, 2018](#); [Healy and Malhotra, 2013](#)). Retrospective voting asserts that voters punish incumbents for poor performance ([Ferejohn, 1986](#)). Retrospective voting is an important accountability mechanism in democratic politics ([Besley, 2006](#)). The state of the economy is an important indicator for voters to assess government performance. Both macro-economic (sociotropic) and individual (pocketbook) economic circumstances can affect vote choice ([Markus, 1988](#)). Following the forward selection logic of [Fearon \(1999\)](#), the economic prospect could also be a relevant decision criterion, even though retrospection and propspection could be observationally equivalent if the prospect is constructed based on retrospective information. For our case, it does not matter whether retrospective, economic expression of support is based on crude heuristics or fully informed rationality.

Importantly, applied to our case, retrospective voting theories do not fully contradict grievance-based theories. As visualized in Figure 1, panels 2 and 3, both theories generate in the first stage the same meaning or interpretation on the side of the voter. The difference arises only in how meaning translates into political support. If the incumbent were a liberal-democratic, mainstream party, the prediction of both theories would be the same. However, with an illiberal incumbent, grievance-based theories would predict the incumbent to receive continued or even stronger support. This is amplified by the pervasive clientelism in the Serbian political system. Amid economic pressure, voters become even more susceptible to clientelism ([Robinson and Verdier, 2013](#); [Frey, 2019](#)), which would allow an illiberal incumbent, who is even less ideologically bound to the due democratic process, to entrench voters' dependence and strengthen reverse accountability mecha-

nisms (Petrović, 2026). Since we measure and theorize on the level of reported support, not vote choice, it is important to note that we potentially pick up less distortion from coercive clientelism. Our argument generates the following testable hypotheses:

- H1: Perceived political neglect is higher among respondents who are personally connected to PPT.
- H2: Respondents who are personally connected to PPT have worse prospective and retrospective evaluations of the economy
- H3: Respondents who are personally connected to PPT blame the government.
- H4: Respondents who are personally connected to PPT vote against the illiberal incumbent SNS.
- H5: Respondents who evaluate the economy more positively support the illiberal incumbent SNS.

3 Research Design

3.1 The case of Prva Petoletka in Trstenik, Serbia

The case of Trstenik offers a particularly suitable setting for examining the political consequences of industrial decline. The town's contemporary social and economic structure was fundamentally shaped by the socialist industrialisation project launched in post-war Yugoslavia. As part of the First Five-Year Plan adopted in 1947, the foundations of Prva Petoletka (PPT) were laid in 1949. Prior to industrialisation, the region around Trstenik was predominantly rural, known primarily for viticulture and farming. Industrial infrastructure was virtually absent. The establishment of PPT therefore transformed not only

local employment patterns but also the social composition, urban landscape, and everyday life of the town (Vukčević 2022).

Over the following decades, Prva Petoletka developed into one of the most important industrial enterprises in socialist Yugoslavia. By the late 1980s, the company generated approximately 400 million US dollars in annual revenue, roughly half of which originated from exports. Through its strong integration into Eastern European markets, PPT became a major industrial actor within the Yugoslav economy. At its peak, the company employed around 15,000 workers, making it one of the largest employers in Serbia. The enterprise extended well beyond a single factory, encompassing a complex industrial system of seventeen associated companies, many of which were established to provide inputs and services within the broader PPT production network (Pecić et al. 2013).

The economic and social significance of PPT becomes evident when considering the long-lasting imprint the company left on the town of Trstenik. The company shaped not only employment but also housing construction, urban development, local institutions, and social life. Like many large socialist enterprises, PPT extended far beyond its productive functions. The company financed housing for workers, provided scholarships for students, supported cultural and educational activities, and invested in local infrastructure. Many of the town's most prominent public facilities – including sports and recreational infrastructure – were directly built by the company. In this sense, PPT functioned not merely as an employer but as a central institution around which much of local social life was organized.

Consequently, the subsequent collapse of the socialist industry and the dramatic contraction of PPT during the 1990s and 2000s represented a profound disruption to the town's economic and social foundations. The decline of the company entailed not only the loss of jobs but also the erosion of institutions, social networks, and of collective identity that had developed around the factory over several decades. Today, only a fraction of the former

workforce remains employed in the surviving parts of the company (around 150), while many of the physical and symbolic traces of PPT continue to shape the urban landscape and collective memory of Trstenik.

3.2 Research Strategy and Data

To answer the questions posed in this paper, we employ a mixed-method research design that combines quantitative and qualitative data. First, we conducted a large-scale survey among residents of Trstenik. Second, we conduct twenty semi-structured interviews during Spring and Summer 2026.

The survey data used in this study were collected through face-to-face surveys conducted in Trstenik during March 2026. Fieldwork lasted four weeks and covered all neighborhoods of the town. In total, 1,003 respondents were interviewed. Given the relatively small size of the town (around 13 000 inhabitants according to the census in 2025), the survey represents a substantial share of the adult population and provides broad coverage of Trstenik's diverse neighborhoods. The data analysis uses various descriptive techniques such as Multiple Correspondence Analyses and Regression Analyses.

In addition, we conducted twenty semi-structured interviews with individuals possessing direct experience of the company and its historical development. Interviewees included a former director of Prva Petoletka, former trade union representatives, former members of the workers' council, and former employees of the company, who constitute the largest group of interviewees. The interview material was analyzed using thematic analysis, with particular attention to the mechanisms through which industrial decline is translated into political attitudes and collective interpretations of local change. The qualitative interviews serve two purposes. First, they help identify the mechanisms through which the experience of industrial decline is translated into political attitudes and collective interpretations of local change. In particular, the interviews allow us to explore how

residents assign political meaning to economic decline and how the legacy of Prva Petrolka continues to shape contemporary understandings of neglect, responsibility, and local development. Second, the interviews provide an opportunity to triangulate the survey findings by comparing patterns identified in the quantitative data with the narratives and experiences of former managers, workers, trade union representatives, and other actors directly involved in the history of the company.

4 Survey results

4.1 Interpreting PPT's decline

In this section, we interrogate the survey data for evidence of existing grievances resulting from economic decline. The standard mechanism that links economic decline and right-wing illiberal support runs through grievances. To understand why industrial decline did not produce mass support for right-wing illiberalism, it is important to know if grievances exist in the first place. If there are no grievances to begin with, the absence of an illiberal backlash would not be surprising. To that end, we need to understand the meaning that citizens assign to the trajectory of PPT.

We start by acknowledging the relevance of PPT to the people of Trstenik. The company is omnipresent, even though it is economically much less relevant today than it used to be. The importance of PPT emerges not only in personal conversations with citizens, but it is also visible in the survey responses. Many citizens are personally connected with PPT. We measure the respondents' connection to PPT through whether an immediate family member works or has worked at PPT. More than 67% of respondents report having such a connection. Several survey items allow us to explore the meaning that respondents associate with the decline of PPT and the broader economic association. Where y_i denotes the respondent level outcome of interest, **family@ppt**_{*i*} denotes whether an immediate family

member has worked at PPT, $\mathbf{x}_i$ denotes control variables, and ε_i denotes the error term.

We estimate regressions of the following stylized form to document the association between being personally connected to PPT and sentiments.

$$y_i = \alpha + \beta \text{family@ppt}_i + \gamma \mathbf{x}_i + \varepsilon_i \quad (1)$$

In Table 1, columns 1 and 2, we document the association of being connected to PPT with perceiving the decline of PPT as political neglect by the government in Belgrade. The survey question asks: To what extent do you agree with the following statements: The decline of Prva Petoletka is proof that Trstenik has been neglected by politicians in Belgrade.", and agreement is recorded on a 4-item scale from strongly disagreeing to strongly agreeing. In columns 3 and 4, the outcome of interest is the perception of PPT as a positive symbol for the citizens of Trstenik. The survey question asks: "To what extent do you agree with the following statements: Prva Petoletka is a symbol of the resilience and pride of the people of Trstenik.", answers are recorded on the same agreement scale. We find similarly higher agreement for both statements among respondents with a family connection to PPT (also when conditioning on control variables). This highlights that the connection of citizens to PPT runs through the historical dominance of PPT as the main employer in the town. It is striking that citizens who are more connected to PPT at the same time perceive PPT's downfall as political neglect, which is an expected pattern, and perceive the company (and presumably its struggle) at the same time as a symbol of resilience and pride. Agreement with the two statements is positively correlated ($\rho = .362$). This highlights that both perceptions, positive symbolism and neglect from politicians in Belgrade, go hand in hand for people more closely connected to PPT.

In Table 2, we document the association of connectedness to PPT and economic perceptions. We use 3 retrospective evaluation questions over the last 5 years, where respon-

Table 1: Connection to PPT and meaning of PPT

	(1)	(2)	(3)	(4)
	Neglect	Neglect	Positive symbol	Positive symbol
family@PPT=YES	0.302*** (0.000)	0.272*** (0.000)	0.307*** (0.000)	0.252*** (0.001)
Controls	×	✓	×	✓
N	829	755	890	801
R ²	0.020	0.241	0.020	0.183

p-values in parentheses

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

Note: All models are estimated with OLS. Control variables include whether respondents were born in Trstenik, whether respondents' parents were born in Trstenik, how long respondents have lived in their neighborhood, cultural goods consumption bundles, contacts to the municipal administration, media consumption, gender, age, education, religion, and occupation.

dents should rank the change of their economic situation compared to others in their neighborhood, others in Trstenik, and others in Serbia. Answers range on a 5-item scale from "significantly worsened" (lowest value) to "significantly improved" (highest value). For prospective evaluation, we use the question "Looking to the future, which of the following statements best describes the economic prospects of your neighborhood?", which introduces a sociotropic logic to the evaluation. As we can see throughout Table 2, respondents with a family connection to PPT evaluate the economic change more negatively, which holds for both the sociotropic prospect and the different levels of retrospective individual comparison. One should note that the pessimism gets weaker as the comparison group widens from the neighborhood to the city to the whole country. Potentially, this could arise because respondents are better able to judge the economic comparison to their direct neighbors and are more insecure, and therefore less firm in their judgment, when it comes to wider comparisons.

Using the question "Who is responsible for the economic condition of Trstenik?", we can further probe for attribution of blame. This time, we depart from the linear probability model and employ a multinomial logit model to capture the choice between the 5 available options (see Figure 2). The pattern is clear: Respondents with family connec-

Table 2: Connection to PPT and economic evaluations

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Prospect	Prospect	Retrospect 1	Retrospect 1	Retrospect 2	Retrospect 2	Retrospect 3	Retrospect 3
family@	-0.263***	-0.271***	-0.252***	-0.212***	-0.189***	-0.154**	-0.160***	-0.114*
PPT=YES	(0.000)	(0.001)	(0.000)	(0.001)	(0.001)	(0.010)	(0.006)	(0.050)
Controls	×	✓	×	✓	×	✓	×	✓
N	984	878	967	865	952	858	943	850
R ²	0.012	0.120	0.014	0.171	0.010	0.164	0.008	0.165

p-values in parentheses

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

Note: All models are estimated with OLS. Prospect refers to whether respondents hold a positive economic outlook. Retrospect 1, 2, and 3 ask respondents to evaluate the development of their economic situation compared to others over the past 5 years. In 1, others refers to the respondent's neighborhood. In 2, others refers to other citizens of Trstenik. In 3, others refers to the whole of Serbia. Higher values correspond to a more positive evaluation. Control variables include whether respondents were born in Trstenik, whether respondents' parents were born in Trstenik, how long respondents have lived in their neighborhood, cultural goods consumption bundles, contacts to the municipal administration, media consumption, gender, age, education, religion, and occupation.

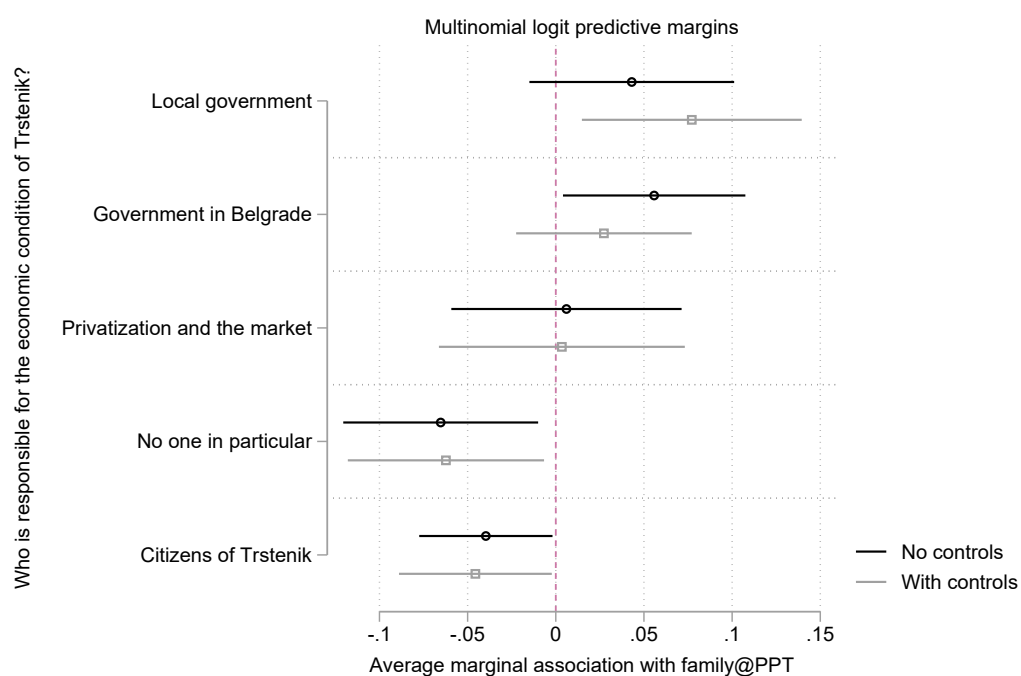
tions to PPT are less likely to attribute responsibility diffusely. They are significantly less likely to respond that "no one in particular" is responsible for the economic condition of Trstenik. They are also less likely to hold the citizens of Trstenik responsible. Rather, they are more likely to blame the local government and the government in Belgrade. Notably, in our preferred specification with all control variables, blame is more significantly directed toward the local rather than the government in Belgrade (the marginal association with family@PPT is not significant at conventional levels).

Now that we have established that economic decline is positively associated with grievances, i.e., economic pessimism and feelings of neglect, as standard models predict, we turn to voting behavior. This allows us to assess whether standard predictions hold. Do grievances translate into support for the illiberal right-wing?

4.2 Illiberal support

We first assess support for the SNS, the illiberal, right-wing party that has been in power in Serbia since 2012. In general, the SNS enjoys broad support. In our survey, 178 of 1,003 (17.75%) respondents answered that if elections were held this week, they would support

Figure 2: Blame attribution



Note: Spikes display 95% confidence intervals. Control variables include whether respondents were born in Trstenik, whether respondents' parents were born in Trstenik, how long respondents have lived in their neighborhood, cultural goods consumption bundles, contacts to the municipal administration, media consumption, gender, age, education, religion, and occupation.

the SNS. Now, a survey is not the same as an election, so we should pay attention to the 174 (17.35%), who are undecided, and 122 (12.16%), who chose not to disclose their preference. If we add all those numbers up, we arrive at 47.26%, which is close to the 48.06% the SNS-led alliance achieved in the 2023 parliamentary elections. Since it is unlikely that the undecideds' and non-responders' preferences are extremely biased towards the SNS, it is fair to say that the SNS is comparatively weakly supported in Trstenik. This is, at face value, already surprising, because Trstenik ticks all the boxes to be a driving force of right-wing illiberalism. A small town in a rural area with one major industrial complex that employed a large majority of the workforce, but was struck by economic decline, shrinking by orders of magnitude. Yet, low support for the SNS may be the result of some idiosyncrasy of Trstenik. Therefore, we test whether the respondents whose connection to PPT turned into grievances are indeed the ones who support SNS.

In Table 3, we report estimates from a linear probability model in the spirit of Equation 1, with reported SNS support as the outcome. SNS support is lower for respondents who have a family connection to PPT. We do not care too strongly about statistical significance here. Specifications in columns 1 and 2, the raw correlation and the specification conditioned on covariates, return differences of similar magnitude, but the latter barely misses the conventional 10% minimal threshold. We are not worried in this case, because the standard prediction would be a significant positive association. Consequently, a barely significant negative association is solid evidence against the standard prediction. In column 3, we include, as independent variables, the perception of neglect and the perception of PPT as a positive symbol of the resilience of the citizens of Trstenik. In this specification, the difference between the family connection emerges as a significant predictor, negatively associated with SNS support, further corroborating evidence against the standard prediction. Perception of political neglect is also negatively associated with SNS support ($p < 0.1$), even though higher grievances are typically expected to be associated

with higher support for right-wing illiberalism. Support for right-wing illiberalism is significantly higher ($p < 0.001$) among respondents who perceive PPT as a positive symbol. This reveals an interesting divergence. Even though perceptions of neglect and perceptions of PPT as a positive symbol are positively correlated and are positively predicted by family connections to PPT, the association with SNS support diverges.

Table 3: Connection to PPT and SNS support

	(1)	(2)	(3)
	SNS support	SNS support	SNS support
family@PPT=YES	-0.052*	-0.044	-0.068**
	(0.056)	(0.103)	(0.035)
Perception of neglect			-0.031*
			(0.075)
Positive symbol			0.060***
			(0.000)
Controls	×	✓	✓
N	984	878	744
R ²	0.004	0.187	0.228

p-values in parentheses

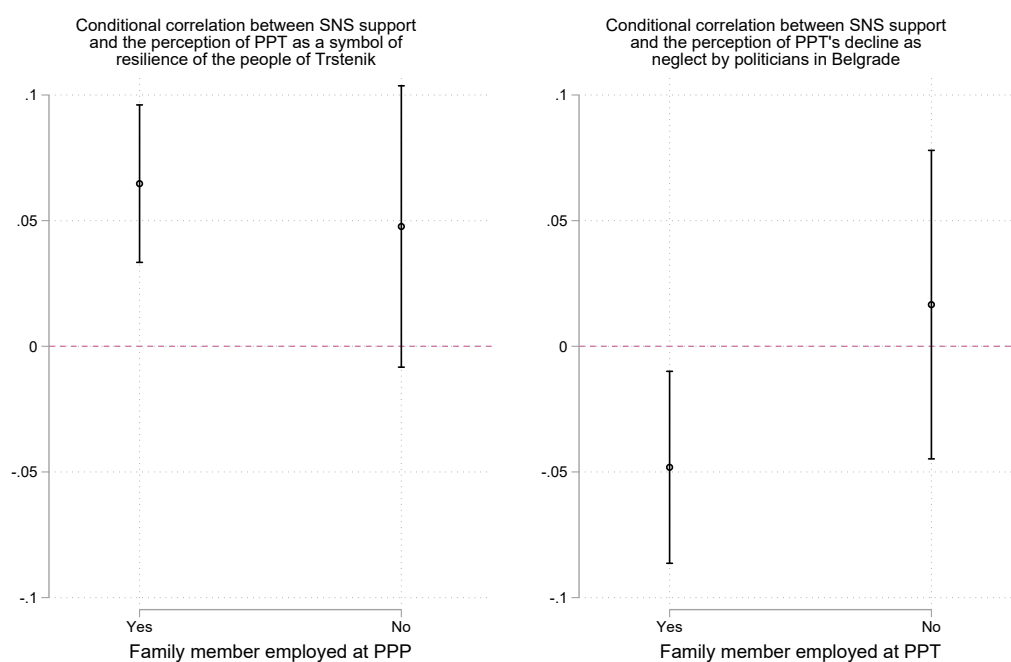
* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

Note: Linear probability models estimated by OLS. Control variables include whether respondents were born in Trstenik, whether respondents' parents were born in Trstenik, how long respondents have lived in their neighborhood, cultural goods consumption bundles, contacts to the municipal administration, media consumption, gender, age, education, religion, and occupation.

Since family connections predict both perceptions, it is useful to explore the interaction between family connections to PPT and perception in association with SNS support. The left panel of Figure 3 shows the marginal associations of perceiving PPT as a positive symbol and SNS support across respondents connected and unconnected to PPT. The right panel of Figure 3 shows the same for the perception of political neglect. The general pattern of divergence is similar to that in the specification before. However, from breaking the association down by connectedness, we learn that the divergence is mainly driven by respondents who have a family connection to PPT. The pattern, therefore, fits the hypoth-

esized pattern: Economic decline is meaningful to more closely affected respondents; if the meaning leans more toward a positive interpretation, it is associated with SNS support; if it leans more toward a perception of political neglect, it is associated with lower support for the SNS. The pattern is also similar when considering trust in the government as an alternative outcome, see Figure 4 in the Appendix. The SNS is currently in government, and has been for a long time, hence trust in government and SNS support are strongly correlated ($\rho = .539$). While SNS support (or non-support) seems specifically tied to family connectedness in PPT, this association appears less so when considering trust in government. Respondents who perceive PPT as a symbol of pride and resilience of the people of Trstenik have higher trust in the government, independent of being connected to PPT through a family member. For neglect, the picture is somewhat similar but in reverse. However, the negative association between perceiving neglect and trusting the government is not significant at conventional levels.

Figure 3: Support for SNS and the meaning of PPT



Note: Coefficients come from linear probability models estimated by OLS. Spikes display 95% confidence intervals. All specifications include control variables. Control variables include whether respondents were born in Trstenik, whether respondents' parents were born in Trstenik, how long respondents have lived in their neighborhood, cultural goods consumption bundles, contacts to the municipal administration, media consumption, gender, age, education, religion, and occupation.

5 The Political Meaning of Economic Decline

The following section examines qualitative evidence from semi-structured interviews conducted in Trstenik with former workers of Prva Petoletka (PPT), former managers, members of the former workers' council as well as former and current workers. While the survey analysis documents the association between personal connectedness to PPT, perceptions of economic decline, and political behaviour, the interviews provide insight into the mechanisms through which industrial decline acquires political meaning. In particular, they help illuminate how citizens interpret the collapse of PPT, how responsibility for decline is attributed, and how these interpretations shape political orientations and evaluations of political actors.

The interviews reveal that economic decline is rarely understood as a purely economic process. Rather, respondents attach broader social, moral, and political meanings to the decline of PPT. Narratives of political neglect, failed leadership, and misguided cadre selection coexist with narratives of local pride, resilience, and collective achievement. This qualitative evidence thus complements the survey findings by showing how the same experience of industrial decline can generate distinct political interpretations with different implications for political behaviour. The account of Ljubinko Đurović, former general director of PPT, is particularly illustrative in this regard. Throughout the interview, he repeatedly emphasized that the development of Trstenik and the development of PPT were inseparable processes.

As Đurović explained, when he first received a scholarship from PPT in the late 1950s, Trstenik was little more than a provincial town: "Trstenik was a small provincial town. It did not have a single paved street when PPT was founded ("Trstenik je bio palanka. Nije imao ni jednu asfaltiranu ulicu kada je osnovana PPT"). According to him, the growth of the factory transformed not only local employment but the entire social infrastructure of the town. "The town grew together with the factory" ("Grad je rastao zajedno sa fab-

rikom”), he recalled. At its peak, the relationship between the town and the factory became so extensive that “Petoletka had more workers than Trstenik had inhabitants” (“Petoletka je imala više radnika nego što je Trstenik imao stanovnika”).

Importantly, respondents did not describe PPT merely as an employer. Rather, they portrayed it as the institution around which local social life was organized. Đurović emphasized that the company financed schools, technical education, scholarships, sports clubs, cultural institutions, housing construction, and community activities. In his words, “The town emerged alongside PPT” (“Uz Petoletku je nastao grad”). He described how the company built the Cultural Center, maintained a library, supported technical schools, provided scholarships for talented students, financed housing construction, and sponsored sports associations. “People received everything through the factory and therefore identified with the factory”, (“Ljudi su dobijali sve u fabrici i zato su se poistovetili sa fabrikom”). This identification extended far beyond the workplace. As Đurović explained, “We all felt that the factory was ours” (“Mi smo svi osećali fabriku kao svoju”), a sentiment shared, in his view, by managers, engineers, workers, and support staff alike. Moreover, this becomes further evident during the interview: “People invested in machinery rather than in their own wages,” (“Ljudi su ulagali u mašine, a ne u svoje plate”) and “Everything we achieved—the expansion to 300,000 square meters, the equipment we purchased—we built ourselves. No one helped us.” (“To što smo porasli na 300.000 m², mašine koje smo kupili – to smo mi sami sve napravili, niko nam nije pomagao”), shows further the attachment of the citizens and workers to the company.

These accounts help explain why economic decline carries a meaning that exceeds material hardship. For many respondents, the collapse of PPT represented not only the loss of jobs but also the destruction of a collective identity. When asked how citizens today view the remains of the factory, Đurović responded unambiguously: “They are infinitely sad” (“Beskonačno su tužni”). He attributed this sadness to the fact that generations of

workers had invested their efforts, skills, and identities into building the company. As he put it, “Those people built it”, (“To su ti ljudi napravili”). The depth of this attachment is perhaps best illustrated by Đurović’s own relationship to the town. Reflecting on his life, he stated that he wished to be buried in Trstenik, despite not being born in Trstenik itself. Such remarks suggest that attachment to PPT is not merely occupational or economic, but forms part of a broader sense of belonging and identity rooted in the town itself.

The interview also provides important evidence regarding the attribution of responsibility for decline. Đurović rejected explanations that portrayed the collapse of PPT as an inevitable consequence of economic modernization. While he acknowledged the loss of Yugoslav and Soviet markets as a major challenge, he repeatedly argued that the company did not have to disappear. “The factory could not have retained that many workers, but it did not have to collapse” (“Ta fabrika nije mogla da zadrži toliki broj radnika, ali nije morala da propadne”). Instead, he attributed decline primarily to political intervention and poor leadership selection. In perhaps the clearest statement of this view, he argued that “the most important thing is leadership”, (“najvažniji je rukovodeći kadar”) maintaining that inappropriate managerial appointments during the Milošević period and afterwards undermined the company’s viability. As Đurović recalled, prior to the introduction of multiparty elections in 1991, Slobodan Milošević compiled a list of the twenty most important enterprises in Yugoslavia, on which PPT ranked fifth. At the time, Đurović was in Moscow negotiating a new trade agreement when he received a phone call informing him that he was to be replaced as director. For him, the episode symbolized the increasing politicization of managerial appointments and marked the beginning of a period in which political considerations increasingly displaced professional expertise in the governance of the company. Thus, reflecting on the post-socialist period, he argued that “wrong leadership policy” (“pogrešna kadrovska politika”) was central to the destruction of PPT.

Finally, a recurring theme across the interview is that the decline of PPT is interpreted

as a form of betrayal. Importantly, this sentiment predates the rise of the SNS. The Respondent traced the origins of decline to the late socialist period and the 1990s, emphasizing political interference and the gradual replacement of professional expertise with political considerations. While contemporary political actors are often criticized (including the current regime), the narrative that emerges from the interviews is one of long-term political failure rather than dissatisfaction with a single government. Hereby, also symbolic boundaries are being drawn between those "lazy but politically appointed ones", "incompetent", "people without expertise", vs. "hardworking" and "competent" ones. Thus, economic decline is remembered less as an inevitable consequence of market transformation than as the abandonment of a collectively built institution by successive political elites.

6 Conclusion

Grievance-based theories of right-wing illiberalism emphasize how economic decline affects workers' deeply rooted identity and creates feelings of neglect or being left behind. Illiberal parties then mobilize around those negative emotions, offering easy solutions and scapegoats. We argue that this is not necessarily the case. In many cases, retrospective punishment is observationally equivalent to illiberal support. We study a case where the incumbent SNS is right-wing illiberal. Therefore, retrospective support and grievance-based theories yield opposite predictions.

Studying the case of Trstenik, a small Serbian town in the rural hinterland, with a significant industrial legacy marked by decline in the post-Socialist era, despite all preconditions pointing to a hot-spot of right-wing illiberal support, we document low rates of support for the SNS.

We argue that under the absence of local immigration and ethnic homogeneity, retrospective economic support logics prevail. This is particularly important since the right-

wing illiberal SNS has been the long-term incumbent on the local and national level. However, we also caution against overrelying on the scope conditions alone. We know from many anecdotal cases that the local absence of outgroups to blame does not necessarily mean that voters are not susceptible to such arguments. In line with contact theory ([Allport, 1954](#)), often, the fear of immigrants or ethnic minorities is highest where there are actually the smallest populations of those groups.

Leveraging original survey data, we document higher grievances and perceptions among respondents most affected by economic decline. We also document higher positive, hopeful sentiments among the same group. Political allegiance diverges among those who interpret the economic situation negatively and positively. Respondents who hold more positive interpretations are more likely to support the right-wing, illiberal SNS. Respondents with negative evaluations are less likely to support the SNS.

Our results caution against overstating economic grievance arguments in debates around the rise of right-wing illiberalism. Grievance arguments for illiberal support are often observationally equivalent and difficult to disentangle from retrospective punishment of liberal, mainstream incumbents.

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Appendix

Alternative measure for government (SNS) support

Figure 4: Trust in government and the meaning of PPT

