

**THE BASIS OF
TRANSITION AND
PRIVATISATION
PROGRAMME
(THE YUGOSLAV CASE)**

Prof. Tomislav Popović

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For the publishers:

Director-General
Prof. Tomislav Popović
Director of the Regional Office for the Balkans
Dr. Marc Meinardus

Recensents:

Prof. Milutin Lalić
Prof. Miodrag Zec

Translators:

Milica Borlja-Gluvačević
Radmila Vujović

Technical editor

ing. Borivoje Ušćumlić

Computer Layout:

Zorica Božić
Nikola Vujanić

Designed by

Zorica Kijevčanin-Milošević

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INTRODUCTION

More recent experiences with regard to transition in Europe point to untenability of the narrow understanding of the transition as a process of transition of national economies from the centrally-planned to the market-based system of doing business, accompanied by privatization and necessary market infrastructure.

This work indicates that the phenomenon of transition is a global process, linked with the totality of changes in international environment, particularly with the new long-term mega-cycle of technologically generated structural changes and adjustments.

The work has, in this connection, developed a general model of national transitional program that includes the contents, internal dynamics and relative influences of eight transition determinants: political will; interests; doctrines; values; technologies; institutions, including property; finance and capital; and the so called channels of communication and integration with the world.

The general transition model is applied and tested, in the sense of applicability, by taking into account the specificities for the case of Yugoslavia. Namely, all most important performances and limitations, as a cumulative result of the influence produced by disintegration of the economic area of the former Yugoslavia, disintegration of an important part of the market environment (the USSR, etc.) and international isolation due to UN sanctions, as well as the errors committed in macroeconomic policy.

Privatization is treated as a key instrumental and target variable of the transition. The privatization program that is offered is based upon the principle of decomposition and abolishment of the social-state ownership as a group property category, by building into the newly established ownership structure the most important needs and key agents of the stabilization, social and developmental policy.

Assuming that there is the necessary general interest, the satisfactory quantum of knowledge and political will, the ambition of this work is to offer acceptable analytical and conceptual bases for a creative dialogue, on one side, for the purpose of reaching consensus between Yugoslavia and international institutions and Europe on the ways and means for an efficient and effective reintegration of Yugoslavia into international order, by reorganization of the space in accordance with international criteria and standards, on the other, in order to achieve a social, political and expert consensus of the highly fragmented and impoverished

society, by articulating the generally acceptable principles, instruments and mechanisms with the view of defining a sustainable and socially bearable policy of recovery and structural adjustments.

* * *

At the end of the book are enclosures with original extracts from the laws and projects concerning privatization made by government entities, experts and expert teams, economic associations and political parties. Also, the work contains broader quotations of the views that essentially deny the concept of transition and privatization. Domestic and foreign readers are thus offered a possibility to get a detailed insight into, and impression about the current views and events with respect to transition and privatization in Yugoslavia.

I want to express my gratitude to Prof. Milutin Lalić and Prof. Miodrag Zec who reviewed the book and provided useful suggestions and observations, particularly in connection with some practical solutions relating to formulation of privatization programs.

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