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Expert paper

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## TRANSITION AS A WORLD PROCESS

**Summary:** *The transition as a process, like storm swept the economies of the former eastern block and thoroughly changed the entire economic landscape of these countries. Rules imposed “from above” set it path, and government and regulatory of societies widely opened theirs doors to, until yesterday, unthinkable reforms that will irrevocably change theirs lifse. Although this process began more than twenty years ago, debates about the effects and the correctness of the process are very live and continue to this day. Probably, much longer we will wait the answer to the question of whether the transition is indeed the way forward or throwing the economies to its knees.*

**Key words:** *Transition, Washington consensus, reform, neoliberalism*

**JEL Classification:** *P21, P11, F60, A14*

### INTRODUCTION

In everyday conversation, the term transition is a term originated in Latin and actually means - crossing. Sounds simple. But just as a term. In the event that I address here the term transition is used in an absolutely different context and meaning, and certainly the most important and most frequently used term in the science of economics in the last twenty years. Far

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from simple. If we went back further in history, we can find the processes that were basically the transition from one state to another. The failure of the French Revolution led to the return of the king, the aristocracy and the feudal system. Relevant scientists this period called the restoration of the old regime and dedicated their various sociological and historical scientific papers. However, this term is closer to the definition of the return process from new to old. Therefore, during the 19th century, Karl Marx and Friedrich Engels used the term transition and it marked the process of transition from capitalism to socialism and thus gave us the terminology usable and acceptable in today's terms. So, we can say that for the science of economics, transition represents each specific form of transition from one type of social system to another.

In the present time we look at the process of transition from socialism to capitalism or, to be more precise, the transformation of former eastern block countries, former Yugoslavia, and according to some of - China. All these countries, before the introduction of socialism, worked and lived on a capitalist basis or something that capitalism was close, so we may be able to use the above mentioned term - restoration. However, since their transition to socialism until now it's been such a long time that all traces of capitalism were erased, and so it is against the grain called this process restoration - especially since socialism has managed to build an enormous socio - political and economic structure.

The transition process as such, represents a process which, in addition to economists, widely studied and sociology and slowly constitutes own views on this topic. Discussions are very wide, but as we can find in the literature, still initially constituted and most important problems, which should interpret, are still opened. Discussions within the circle of scientists and practitioners reduced to instrumental and technical questions - how, by what means, in what time frame to build in the former socialist countries of social forms (first institutional network and to the economy and politics) characteristic of modern West (Lazic 1995). For us, here, this is perhaps the most important sociological conclusion.

Further sociological consideration, within this study, would seek a larger space and a wider time frame, so I will not devote more space. Further-

more, the subject of this paper certainly is the economic aspect of the transition and its impact on countries that pass this famous process.

## **1. TRANSITION – HOW IT ALL STARTED?**

Historically, the end of the Cold War marked the beginning of a new era in relations between Russia and the West as the main factor of the former Eastern Block. The fall of the Berlin Wall, as a symbolic act of completion of the Cold War period, introduced the European continent in a new stage of development. Communism as an ideology main countries behind the “Iron Curtain” collapsed or by itself or violently, as happened in some cases, and brought along existing economic concept. Local experts did not respond to the new situation or ideas on which to build effective market institutions and ultimately creating economy based on market principles. The question is whether they can be resent. Decades ago, they built a system that almost overnight collapsed and disappeared. As a result of emerging transitional period is filled with social, political and economic crises and the general will of the population to live in a capitalist society. Countries are sinking in increasing uncertainty, Russia slipping into chaos and the former Yugoslavia disappeared in an unprecedented war. Inexperienced ruling elite wandered the vacuum one at a time, wanted to or not, began to accept the advice of the International Monetary Fund and its experts. Experts from that time are special story. Literature describes them as incompetent and stray into the matter and even find and derogatory terms such as economic hit man, guest stars, carpetbaggers... Joint efforts with incomprehensible patronizing local collaborators for thus leaving only chaos and havoc. As a great example, anyone involved in the transition cites the case of Russia in this period. It is amazing that Russia did not want to engage the famous American economist (russian origin) Wassily Wassilyovich Leontief although he himself offered help and it's completely free if the Russian authorities expressed their willingness to his involvement and called him. Although he has previously been awarded several times, among other things, the Order of the Rising Sun of Japan and to the merits in the efforts of the performance of the Japanese economy from the crisis, Russia was instead hired American Jeffrey David Sachs. About this case, of course,

we can discuss, argue and viewed from various angles, but one thing is certain. Russia, during the nineties of the last century, had gone from total economic chaos to the present as much as a stable economy. Nothing better not last even other countries that observe such transition. Therefore, some of scientists might speak of a deliberate process aimed at throwing the economy and way of life of these countries to their knees. One should not overlook the fact that the home markets of market multinationals, at a time when there is a process of transition, become oversaturated their products and that they needed a "living space" for its propagation and survival. By leaving the mechanisms of regulation and self protection and financial liberalization governments of these countries make their services and favor. Doors wide open to the free market, free movement of capital and ultimately to enter the competition as a kind of salvation. Looking freely and in the long run it probably makes some sense we have in mind Adam Smith and his "invisible hand". The market would certainly, in the long run, be able to regulate all the anomalies that appear even to cease the production of the former production facilities. However, in conditions of reduced regulation and incredible borrowing (for basic consumption) it is difficult to stand on their own. Discussions on this subject are very vivid. Is the transition really substantial reform in the former Communist block countries and their way forward or, on the contrary, their way into debt slavery and ruin. The answer to this question probably will not get much longer, as long as the transition process and if this process does have its place. Some countries, such as Slovenia or the Czech Republic for example, are considered to be the stars of the transition process. They are said to be very successfully survived the transition problems, stand on their feet and joined the European Union. The life of people is absolutely changed, be sure to become a better quality but also burdened with cares what kind of happiness under capitalism. The welfare state simply does not exist anymore and only work is identified and recognized. On the other hand we have a country that still walk the foggy roads of transition to the given rules in advance and hope to a better life and progress. Make sure to include the countries of the region to which we belong. Once unthinkable unemployment, modest economy, dependence on major players and huge loans does not sound optimistic.

## 1.1. Proces of transition

As I have already described in the previous section, all transition countries at the beginning of the transition process, therefore nineties, have been undergoing a severe socio-economic crisis caused by this process. The manifestation of the crisis was reflected primarily a drop of production and thus, chained, and consumption decline, unemployment rising and the general decline in the standard of living. In some cases it is expressed Rampage inflation and rise in prices and the basic cost of living. Under such conditions created a soil suitable for various machinations that were creating a new social elite. A minority, which is the time realized the new conditions and saw, until yesterday, suddenly incredible opportunity came up to enormous wealth. On the other hand most of the were exhausted, and in these conditions of inequality to the fore came the enormous social tensions. Sociologists will certainly agree that social tensions absolutely expected appearance in this situation, time ago because the social tensions have always been closely linked to the problems of social security and, of course, the function of the welfare state (as they were all in this country until 1990). Relations between these two groups (the rich minority and the poor majority) were significantly different before the start of transition and this is the (difference in their incomes) in human consciousness created a very negative event. To make things more difficult and special tensions created problems severe distortion principles of social justice. World Bank research on this issue, conducted around mid-nineties, have produced very interesting results. Most of the respondents were satisfied with the situation before the start of transition after (Veselica and Vojnic 2000). We should not, therefore, surprising incredibly negative attitude of the population of Russia, which was particularly hard hit by the transition process and all that this process is carried with him. All of these differences and social tensions, precisely in Russia and the countries with which Russia was in close community and the most distinguishable. The term social security in their areas was highest and the shock that followed the disappearance of this “privilege” was the greatest.

The cause of all this was the behavior of individuals who are, as I mentioned it, use the provided opportunity and the absence of any regulation and con-

sequences, often, against all moral norms literally seized the years amassed resources in any form. Their conscious activity contrary to the usual morally acceptable and dominant cultural model of society was a serious violation of social norms. In this respect there must be a certain type of socially owned conflicts whose nature and intensity depend on how society is tolerant towards such behavior or, to be more precise, of social status and power at the disposal of the violation of the said norms of behavior. It should not be too deliberate to conclude on whose side were aces. Impoverished most directly depended on the rich minority. Essentially, all of the above is actually a theoretical definition of deviant behavior in society. Practically, I mean that in all countries there was a huge robbery of wealth that has been worked on for years and that under the guise of hastily organized privatization. In most cases, privatization has been directly related to the criminal proceedings and led to the accumulation of wealth and the creation of new centers of power behind which stood quite a new and hitherto unknown caste - tycoon. Finally criminal privatization carried out by tycoons created, also by then unknown, the category of society - mafia democracies. All deviant phenomena received and certain common denominators, as **“Latin American syndrome”**, “neo bolshevism”, “wild capitalism”, “sin structure” (Veselica and Vojnic 2000). The condition in which the society found itself represented a significant obstacle in the way of the transition. Not only are this way destroyed economic capacities and economic viability than the tampered and principles of democracy and threatened civil society development. We can say that we are with this topic and very close considering that almost the same process again a little later and our region. Start of transition in the Balkans began with a deviation of a few years and it is certain that the experience could be used for more serious and socially acceptable process. However, this is absent and the scenario was the same, which in turn leaves considerable space for discussion.

The strange tycoon privatization shaken the foundations of the state. The function of the rule of law and the implementation of the regulation on the ground was put into question and the country returned to tens of years. It took a tremendous amount of time that the new elements of society mature enough to create a new regulation and the rule of law again brought to full capacity. Therefore, it should be noted that the first years of transition resulted in the development of democracy in greater respect than economy.

Economy, as we have seen, collapsed. Almost all countries in transition had a negative GDP in the mid nineties the situation is slowly changing. But from 1994, none of the Central European country in transition does not record a negative GDP. What we could saw, were differences in achievements. Russia and Ukraine, for example, achieved a significantly less progress. Very interesting are the reasons for these differences and actually lie in those processes that took place before the transition process. However, the two we can say that the essence. One is previous prepares countries for the transition process and the other is something that we find in the literature to be called a doctrinal approach.

#### 1.1.1. Ready for Reform?

Here, first of all, to the tradition of reforms in the country that was not represented equally in all countries in transition. Central European countries had a certain reform experience and so, so much, lessons learned. The former Yugoslavia, also, through the stages of its development carried out a number of reforms, starting with the model of the Soviet Union to the past when almost equalized with a modern market economy. Yugoslavia is likely to have the richest tradition when it comes to reforms. On the other hand countries that made up the former Soviet Union had the least experience and almost no tradition of reform.

It is interesting to mention the international conference on transition and privatization, the first of its kind, held at Stanford University in the United States in 1991. Hosted by the The Hoover Institution, scientific center that actually holds various international research on issues of strategic importance for the government and institutions of the United States. The conference was attended by economists and politicians from the USA, Europe and countries in transition. George Schultz, former Foreign Minister very broad was thinking about the preparedness of individual countries in the process ahead. From our perspective, this is very interesting because our former community is not mentioned. Later, in fact, confirmed that Yugoslavia never put in the same basket with the other countries of the former socialist block. If we managed to peacefully disband the successor States would have been ready for the transition to a large degree.

We know what happened next and how it ended, and remains the fact that George Schultz was right. Mid european countries for which it can be said that they were well prepared but still easily passed the transition.

### 1.1.2. The theoretical basis

Doctrinal approach to the problem of transition differed from country to country. As we saw earlier, a better starting position for a marathon through the paths of transition had those countries with a richer tradition of reform processes. This is exactly what their economists gave the necessary experience and to allow easier understanding of the market as the main element of the capitalist economy, according to which they moved. Therefore, these countries had a better doctrinal approach. To make things more complicated developed countries of Europe and the United States, leaving the principles of the Keynesian school and the dominance of the private sector to the important role of government and the public sector and have already turned the doctrine of neo-liberalism and monetarism. Neoliberalism, as a political economic practice, opposes the interference of the state in economic processes and encourage privatization, deregulation and withdrawal of the state from social care sector, which is the erstwhile communist countries was absolutely unthinkable. In these conditions it is very difficult to define a theoretical basis that would serve as a guide for the effective realization of the transition. The knowledge was very limited in the areas of labor institutions in the financial markets and the general development of financial and banking institutions.

Misunderstandings economists on both sides were very frequent. Economists of developed countries, who dealt with the transition, very well knew the theory and practice of their countries but at the same time, very little or did not know the situation in countries that have begun the transition. Also economists of eastern block countries had very poor or limited knowledge of the economy which has yet to accede to or are well governed economic relations within their countries. In addition, the leading economists of the International Monetary Fund and the World Bank were to provide the necessary consultations were on the track of economic neoliberalism. All this created a kind of chaos and roam the uncharted



areas. An interesting point of view are, to which may be encountered, stating that all the errors in this matter actually incurred absence of involvement of economists from the former Yugoslavia who are working unfortunate war activities remained totally isolated. They are still operating in the country whose economy was very close to the market concept and already started their own processes of privatization. Their experience would be invaluable and could have used all the other countries in transition. The lack of quality theory allowed the application of the rules of the famous Washington consensus whose base is just a literal application of the elements of neo-liberalism in transition economies. Essentially, the rules of this consensus does not deviate far from the concept of “laissez faire, laissez passer”. Remember, laissez faire, laissez passer motto of economic liberalism, and means: “Let them all do what they want and let everything take its course”. This doctrine is based on the request of elimination of state intervention in economic and market trends, leaving all the free interplay of economic laws and unrestricted market competition. The most productive activity of the individual, considered supporters of this doctrine, if allowed to freely pursue their interests in competition with each other. Everything, therefore, going on in the light of neoliberalism. With today’s time deflection we can say that this could not possibly be a good basis for the economy of the countries in transition and that is actually inflicted enormous damage. Only in the last few years we have witnessed a debate on the quality of the recommendations of the Washington Consensus and negative conclusions.

It is certain that no economic concept or theory could be applied as a starting point for countries in transition and that is what was applied was just floating the theory that unfortunately proved to be wrong.

## **1.2. A Short History of the Washington consensus**

Write and think about the process of transition is impossible without a quality review of the Washington Consensus. Ten Commandments of this document considered, now it can be said, for the basis of which to take and at which, as under the law, to do. Some authors, interestingly, in his works completely bypass this consensus and observe the process without refer-

ence to prescribed legality consensus. My intention, however, is to mention a consensus with the beginning of the transition and its meaning today. How the Washington Consensus came about? In defining this part I studied the original John Williamson creator of this document. I think it is the best can get into the substance of these rules and how they are formed. Also, it will be easier to draw a parallel with the final achievements of the transition and general correctness of the given rules.

Nicholas F. Brady, US Treasury Secretary, in 1989. created the rules to solve the so-called LDC debt crisis. The rules became known as the "Brady Plan". The debt crisis began in 1982. when a large number of countries, particularly Latin American countries, faced with high interest rates and low prices of goods, admitted that was no longer able to service hundreds of billions of dollars in loans to its banks. The economies of these countries were dependent on financing through commercial banks and continually refinance existing debt led to economic stagnation and a period called "lost decade" or a lost decade during which the relations with international creditors were seriously disturbed. From 1982. to 1988. the debt of the country and their commercial banks created an ever-increasing debt that is constant reprogramming both the public and private sector grew even more. It was felt that the problems in liquidity, which are ever more frequently, temporary and will be overcome as the economy recovers. However, over the years it became increasingly clear that the financial health of all these countries actually worse than what it was in 1982. at the beginning of borrowing and that many loans never will be fully repaid. They needed help, relief and boost their economies begin to grow and regain access to global capital markets. Basic principles of Brady plan was relatively simple and derived from the common American corporate financial practices: (1) the bank creditors will grant debt relief in exchange for greater security in the form of collectibility of principal and interest of the collateral; (2) debt relief should be connected with some providing economic reforms and (3) new debt should be healthy and allow creditors greater risk diversification within the broad financial and investment area.

The process for each country was specific and change from case to case. However, most of the restructuring of had two characteristics in common

for lenders - the replacement of debts or for “par bonds” or “Discount Bonds”. “Par Bonds” are the result of exchange of debt for bonds equal to the amount of debt, with a fixed, lower than the market interest rate. “Discount Bonds” are the result of exchange of the loan for less than the nominal value of bonds (typically 30-50% lower), with a market variable interest rates which allow the current debt reduction. Mexico, the first country to be in 1982. began borrowing was the first country to have started with the restructuring of the Bradyevom plan. Total, all countries with these problems has issued bonds in a setting 160 billion US dollars. Brady plan was very successful in several important aspects. First, enable the participating countries to negotiate substantial reductions in overall levels of debt and debt servicing ways. Secondly, the risks are diversified with only commercial banks spread, the whole financial and investment market. Third, encouraged similar countries to accede to its own reforms and help countries to regain the confidence of an mešunarodom capital market.

Of course, far from this plan to resolve all problem countries, but certainly they significantly helped in overcoming the crisis.

Story of the Washington Consensus starts in 1989. when John Williamson, English economist, testified before a congressional committee in favor of Brady plan. He represented the thesis that Brady plan was very good policy that will, with the profound changes in economic policy, countries in the problem of help to get rid of debt and push ahead their economies. Of course, it hit a certain disbelief especially the part where he talked about the changes in economic policy and attitudes of Latin American countries. After talks with Fred Bergsten, director of the Institute for International Economics concluded that the best solution would convene a conference where I talked to about this plan and the impact of the policy mentioned countries. A few days later Williamson, on this subject, gave a lecture at the Institute for International Studies in the UK. He faced some of the same counter-arguments of opponents, or in the manner he imagined that Bradyevim plan to get to the change in the economic policies of the countries of Latin America for the better. This is, in fact, only further highlighted the need to plan very essence thoroughly explain and demonstrate a positive impact not the affected countries. Therefore, he decided to already

scheduled conference called “Latin American Adjustment: How it happened?” Yet for all working materials and obtain an add-in which would be a detailed explanation of any changes in economic policy are expected. Appendix got the official title: “What Washington means by changing the policy?” And distributed to all the authors who should appear at the conference. Appendix defined ten rules according to which countries should behave and about which there should be a high degree of consensus in Washington. Any individual should be discussed in terms of whether deserve to be policies on how to react. The original list of the Washington consensus was as follows:

### **1. Fiscal discipline**

Almost all countries in the region had huge deficits and which led to the balance of payments crisis and high inflation. This is ultimately struck the poorer strata of the population especially since the richer their property could allocate abroad.

### **2. Redirect government spending priorities**

This meant basically relocation costs with subsidies Health, Education and infrastructure and the poorer layers of the population and towards sustainable economic sectors that will grow.

### **3. Tax reform**

Create a tax system with a wide range of tax base combined with moderate marginal rates. Basically the goal is to cut taxes.

### **4. Interest rates**

The liberalization of interest rates.

### **5. Competitive exchange rate**

Maintain a competitive exchange rate by economic itržišnim laws.

### **6. Trade liberalization**

Implies the elimination or great pares tion of taxes and tariffs on imports.

## 7. The liberalization of foreign investment

Privileges and broad acceptance of foreign investment

## 8. Privatization

Carry out the privatization of state economic entities.

## 9. Deregulation

Refers to the elimination of various laws and other measures that restrict competition.

## 10. The legal protection of property rights

Provide informal sector opportunities which will effectively protect property rights at acceptable costs.

Such tailored set of recommendations given by the reforms in Latin America and radically changed the economic picture of this part of the world. Prepared recipe international factors are ready, without a great deal of resistance, applied in Europe.

Enthusiasm for reform was so great in many of these countries that Williamson's original list of measures to be taken and those which should be bypassed ("do's and don'ts") looked pretty meek and harmless compared to the undertaken actions. In particular, financial liberalization and opening up to international capital flows went much farther than what Williamson had anticipated (or thought prudent) from the vantage point of the late 1980s. Williamson's (2000) protestations notwithstanding, **the reform agenda eventually came to be perceived, at least by its critics, as an overtly ideological effort to impose "neoliberalism" and "market fundamentalism" on developing nations** (Rodrik 2008, 947).

### 1.3. Results

Today we are witnessing a number of criticisms of the principle on which was carried out transition. It should be noted that all of them are the very negative and that they come with a delay of about twenty years. This period of history does not mean much, but in people's lives is enormous and

it is precisely their lives absolutely changed. Exploring of the transition as a process is a long and laborious task, especially since at one point finds a very ardent supporters who will at all costs, and regardless of the arguments, defend implemented the principles of transition, and in the second encounter a bunch of arguments to the contrary and throw all completed work on the dump. All this would not be a problem (as in any other debate) that the process for its score does not radically altered picture of the life of impacted areas. In addition, although for some countries can be said to have completed the transition of its economy, a process in most countries is still ongoing and is not even close to its completion. However, no matter how the debate was heated, both groups of critics agree on one thing, and that is designed and implemented reforms have not yielded the desired results. Benefits in South America are by no means satisfactory although there was some growth, the countries of the former Yugoslavia are also not fit on theirs feet, except Slovenia although we have recently witnessed sales of domestic goods of this former Yugoslav republics which greatly overshadows the implemented reforms. Beside that, the intellectual elite fewer believes that the set of rules, revived in the form of the Washington consensus, was the correct path and all the louder the opinion that they should be replaced with something else.

## **2. BOSNIA AND HERZEGOVINA**

Before the start of the transition process, Bosnia and Herzegovina had the misfortune to lose almost four years in the incredible wartime destruction. Today, almost twenty years after the end of the war, Bosnia and Herzegovina primarily is a country with specific social political order. It is a known fact that the Dayton agreement on the cessation of war activities undoubtedly brought peace and gradual relaxation of relations within the country but on the other hand, defining the post-war Bosnia and Herzegovina. Dayton agreement cemented the territorial demarcation and, nationally oriented circles, certainly considering that as the most important fact. As such, country became a reality in any meaningful way without encountering a divergence in the views of the political elites of the country. Here and there we meet with occasional requirements for internal reorganization or they

can be placed in the domain of everyday politics that actually as a final goal, as a rule, there is something else. Could be better? Certainly it could. Several levels of government has created a vast network administration that is in the real life, weaves and creates almost impossible atmosphere for the normal functioning of the country.

By the beginning of war operations none of the Bosnian city has been without a manufacturing plant and the total BiH economy was one of the strongest in the region. GDP in 1991. reached a value of USD 2,400.00 and the annual growth of approximately 5%. Large companies were the core of the economy and gathered around themselves a mass of small business entities - suppliers. The total value of exports participated with 40%, and the entire economy was structured very specifically in relation to the other socialist countries. The decor was very close to the principles of market economy and concept of privatization which had started would certainly led to the concept of a real market economy. In that moment everything stops... In early 1996, the picture was reversed. The vast majority of plant was destroyed, damaged, or simply out of order. People were eager for peace, normal life and work, and it must be said full of hope and expectations. They naively expected the reconstruction of the destroyed plants and work on what they are accustomed to socialism. With such expectations they are included in the transition process. Everything which has survived war destruction passing through the tycoon privatization and largely disappears under strange circumstances and for the sake of short-term interests. Rules of the Washington consensus, albeit under enormous influence of external factors (which is for BiH in this period is very characteristic) thoroughly applied in post-war Bosnia and Herzegovina. The string of historical circumstances in BiH determined external introduction of neo-liberal thought and a sort of commitment to the acceptance of neoliberal forms of development of domestic economic thought (Hodzic 2013). The objectives seemingly noble act but today it is clear that privatization is grotesque to the absence of critical thought has left enormous consequences.

The main goals of any privatization is the arrival of new owners of business entities and improving business results. In this way life becomes better not only for the owners but also for people working in these compa-

nies as well. Today we understand that been more or extent privatization objectives have not been met, including for engagement of unqualified personnel who conducted the privatization and unskilled personnel who have taken the company and start to manage. Some of them was simply incompetent while others have actually had in mind short-term goal - to clear out the parts of all that can be sold out and so get the money. Precisely because of these facts privatization was not successful. The story might have been different and that is the whole story more closely involve the academic community and to the competent institutions insisted on the concept of smarter. Neither intellectuals have not noticed a particularly articulate social and political attitudes. We come to the opinion that under the pressure of poverty caused by the war intellectuals access to new authorities and thus created the elite and keep them on hand in their best interest. Of course, there are positive examples in which the privatization actually carried out properly and with serious intentions. Today, such undertakings live and work which is to say that a positive story really possible with properly placed factors of the story. Unfortunately such cases are few. More of those who are profoundly moved on from the war onwards created a respectable businesses.

Going back to the beginning of the text very clearly see that the situation in post-war Bosnia and Herzegovina and at the beginning of the transition almost equal to those in all other countries that are "on time" embarked upon transition. The recipe was the same, the authorities and intellectuals without question it was applied.

Today, large Western corporations slowly occupy virtually all, from the banks over the remaining production to the trade business. The country is actually occupied without firing. And if it is can be consolation, Bosnia and Herzegovina is not the only one. And all other transition countries have gone the same way.

## **CONCLUSION**

The transition as a process, still is very live and still leaves the question from the beginning. Is there an end? Time preceding to transition will be



remembered, in most cases, by the total economic chaos (or war as it was in our case) in which the pre-transitional countries were. In such conditions, without question accepted by all guidelines that the “advanced” part of the world imposed and started a new path. Although in some cases, and any success we have witnessed that served rules were not that good and maybe took them at the wrong path. That’s why we can talk about the benevolence of set of rules or a planned absence of more intellectual weight when setting rules. This already belongs in the domain of conspiracy theories and certainly would require more space and it is questionable whether this is the place here.

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