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Nenad M. AVRAMOVIĆ*

Faculty of Law for Commerce and Judiciary in Novi Sad

University Business Academy in Novi Sad

Stanimir B. ĐUKIĆ**

Faculty of Diplomacy and Security University Union "Nikola Tesla" Belgrade

WASHINGTON CONSENSUS AND CHOICE OF TRANSITION ROAD

Abstract: The collapse of socialism as a consequence of primarily economic inefficiency has raised in front of the post socialist countries the dilemma of choice (what a miracle) the path to capitalism. On this reversible, historical process, the leading Western countries have had a ready answer - the Washington Consensus.

The strict implementation of the ten Washington reform economic policies conceived on the neoliberal doctrine led to the construction of the Anglo-Saxon development model of capitalism. The Washington narrative had the unreserved support in the measures and decisions of the International Monetary Fund and the World Bank, though it originally intended as a set of neo-liberal crisis solution measures in Latin American countries. The consistent implementation of the Washington Regulations with the shock therapy method has had mostly negative consequences for the economic growth and development of both the transition and Latin American countries.

Countries that have approached economic reforms in a gradualistic manner, respecting national characteristics and interests, such as the "East Asian tigers", have as a rule achieved economically respectable growth and social well-being.

Кључне речи: Washington Consensus, transition, neoliberal politics, IMF, liberalization, deregulation, shock therapy.

INTRODUCTORY REMARKS

The demolition of the Berlin Wall in 1989 marked the symbolic beginning of the end of socialism as a socioeconomic and political system of social relations. The construction of the socialist state and the social order of social justice and equality have taken a fiasco and have lost the historic battle with capitalism

* Full professor, avramovic.n@pravni-fakultet.info

** Assistant professor, stanimirdj@hotmail.com

on the economic front. The victory of capitalism in the last decade of the 20th century, in political terms, marked the end of the “Cold War” and announced the practical domination of the only planetary superpower in the system of changed international relations. The ex socialist countries started a reversible program of transforming political and economic institutions into a desirable capitalist model, bringing the wheel of history backwards.

The transition of post-socialist states required radical changes on the ideological plane, changes of the political system, social change and, above all, tectonic economic transformation, confirming the thesis that the road to communism had failed. This decade-long social experiment, until then unused in the history of civilization, has raised the dilemma - how to trace the most efficient transition path? The choice of a transition path, as a real social unknown, was primarily in the domain of the decision-making of yesterday countries of the socialist laggards. But successful bourgeois provincial states with decades of legislative and practical experience could serve as a model, advisory or financial support.

The authors present the concept of a transition path based on the Washington Consensus for which it (unwillingly) designated most of the post-socialist states of Europe and comment on its effectiveness. And right on, its creators were the leading countries of the Western world and competent international institutions such as the International Monetary Fund and the World Bank. The results of the implementation of the rules of the Washington Consensus, which is based on ten macroeconomic reform policies, did not bring projected expected benefits to the European states of the former socialist lag. And, the monitoring and implementation of the Washington narrative were provided by the IMF in which institutional voting supremacy has the United States and leading Western countries, which, as the originator and creditor, are directly financially interested in its consistent implementation.

Therefore, the paper analyzes the basic premises for the application of the Washington “Manifesto”, the experience of Latin American countries, as well as alternative solutions that are present in a modern economic practice of East Asian countries that have undergone a *sui generis* transformation of their economic systems, achieving far more respectable economic results.

NEOLIBERAL DOCTRINE AND THE WASHINGTON CONSENSUS

The legally simplified economic history of capitalism can be grouped into three temporally not strictly defined zones. The first model which promoted the bourgeois economy was Adam Smith’s liberal capitalism, based on the *Laisses faire* synth (“let it go how it goes”).

Liberal capitalism spans the period from the late 18th century to the Great Economic Crisis of 1929. It is based on the idea that society should be left to free political and economic development without the intervention of the state in social relations... In this model, that is, the system of economy, the role of the state is generally small and limited only to internal and external security and the most necessary administration. (Gorčić 2009:28) The cumulative weaknesses of the liberal market resulted in the Great Economic Crisis, and the outlet was predominantly proposed by the John Maynard Keynes, seeking a path to macroeconomic equilibrium through greater participation of the state in economic life.

Analyzing this situation, Keynes came to the conclusion that the market system of capitalism was unable to ensure sustainable development. This is why government intervention is needed to provide (solvent) demand at the necessary level, and thus together with the private (market) sector (which alone cannot) require the required level of investment for full employment. In order to achieve this, he requires government intervention in the areas of public works, fiscal and monetary policy. (Gorčić 2009:344) The second phase or state capitalism begins with it. The benefits of state interventionism in the mid-1980s were, in practical terms, threatened by the first oil crisis and a drastic rise in world oil prices, which led to rising inflation and falling production and employment. The reaction of the economic, scientific and professional public ensued. Some, by then, the governing economic paradigms needed to be changed.

Businessmen and economists at the University of Chicago, led by Professor Milton Friedman, a fierce proponent of “market fundamentalism”, have suggested as a way out of the economic recession returning to the free market free from state interference, believing that deregulation, liberalization and privatization of the economy according to the old classic formula will solve encountered problems. (Mesarić 2008:216) The renewed premise of liberal economic theory is generally accepted by the governing political executive structure with Regan at the head of the United States, or by Prime Minister Thatcher in the United Kingdom. The neoliberal economic doctrine, conditionally the third phase of capitalism, has come to life.

For neo-classics, *laissez-faire* became a dogma, and the benefits of free trade became an object of faith. Economics was described as the science of allocating scarce resources for different needs, and from this it should be concluded that free enterprise, under condition that the government did not interfere in its activities, would use resources in a way that most benefits the whole of society. (Robinson, Eatwell 1981: 67) Neoliberal economic theory and practice are gaining a new upgraded social, economic and geopolitical dimension, and multinational corporations a special place in the account of states whose economic sovereignty is collapsing.

Money, which in classical economic doctrine was only a mean of exchange, austerity, and accumulation, in neoliberal, global capitalism, becomes a goal for itself, because it acquires not only wealth but also economic and social or political power. The main feature of this new, radical pattern of capitalism is the shift towards maximizing profits at all costs, especially by reducing labor costs. Increasing competition is pushing production to relocate to countries with lower labor costs and lower tax burdens, and with other benefits. The social goals, which at the time of the Keynes doctrine, had some relevance, are now completely lost. The profit motive is absolutized, and money receives the meaning of the highest social value. Profit motive and money as top value also penetrate into areas outside the economy, such as education, health, culture, sport, as well as other social and public activities. Due to the huge increase in the economic and social power of large corporations, Gailbrite called this time corporate capitalism, warning of the symbiotic connection of the modern corporation and state, "based on the division of power and the resulting rewards" (Galbraith 1977:283). Neoliberal economic system proceeds from Smith's "invisible hand" and the dominant role of the free market, the minor and constantly declining regulatory role of the state, the liberalization of international economic flows, privatization... Some kind of legal codification neoliberal economic doctrine was accomplished by adopting the Washington Consensus, a kind of neoliberal Scripture with (incidentally or not) the ten (divine) commandments.

The Washington Consensus emerged as a project of the International Monetary Fund in 1989 and was intended to solve the debt problems of Latin American countries. With its approval by the world's leading monetary institution, it has received international verification, which has been endorsed by the World Bank and the United States Treasury. (Avramović 2019:31)

The Washington Consensus consists of ten macroeconomic reform policies, which J. Williamson intended to solve problems in Latin American countries. (Bukvić 2011) The original principles of the Washington Consensus are: 1. Financial discipline; 2. Priorities in government expenditure; 3. Tax reform; 4. Interest rate liberalization; 5. Competitive exchange rate policy; 6. Liberalization of foreign trade (opening borders and abolishing customs duties); 7. Liberalization of foreign direct investment inflows; 8. The privatization of state (and social) enterprises based on the axiom that the private ownership is more economically productive; 9. Deregulation of entrepreneurship and increased competition; 10. Ensure legal security for property rights.

From the standpoint of international public law, the Washington Consensus was not strictly *sensu* a binding legal document, but a recommendation, which the state could, but did not have to implement. However, he was given a dose of international legal obligation by the fact that he had been adopted by the world's leading monetary policy institution (International Monetary Fund) and the Chief

Planetary Lender (World Bank) and the Ministry of Finance of the world's leading economic power (USA). The credibility of the US Treasury, by virtue of the spatial dimension of the law of obligation, certainly has no compulsory application, but as a factual fact in international relations it is information that requires respect.

EXPERIENCES OF LATIN AMERICAN COUNTRIES

According to the guiding idea, the first application of the neoliberal Washington model was realized in Chile and Argentina, and then in other Latin American countries. In these countries, neoliberal reforms were carried out by military coup with logistical and financial support from the US and its transnational companies. In addition to economic interest, it was important to realize the ideological blockade of the introduction of socialist ideas into economic and social life. In the case of both these countries, the application of the ideology of neo-liberalism has had catastrophic economic and social consequences throughout the many years - huge unemployment, falling into debt crisis, falling per capita income levels, declining standard of living of a huge part of the population, etc. Thus, in 1986 and 13 years after the military coup, Chile had a lower per capita income level than it did in 1972. (Kovačević 2013:78). The immorality of neoliberal measures in practice was also manifested through extremely radical moves - the privatization of kindergartens and even cemeteries.

The unemployment rate reached 30 percent and was ten times higher than during the reign of Allende, hyperinflation became intolerable, and external debt reached enormous proportions and the country plunged into a debt crisis. In this situation, Pinochet and his team, which no longer had Chilean Chicago boys, were forced to re-nationalize a number of important businesses. (N. Kleine 2009 91-101). A favorable circumstance for Chile is that at the time of the implementation of the neoliberal directives, the leading state-owned non-ferrous metallurgy company and exporter of copper "Koldeko" was not privatized, so that with the fall of dictator Pinochet and the acceptance of social democracy, Chile did not fall into debt bondage. Peoples' discontent led to the end of the dictatorship, the development of social democracy and the gradual abandonment of neoliberal regulations and Chile gradually stabilized the national economy.

A similar scenario has taken place in Argentina and Uruguay. The combination of a military dictatorship on the political front, the implementation of neoliberal measures with "shock therapy", with the active participation of North American and British companies synchronized with IMF policy, leads to initial economic success, then to economic stagnation, a large increase in unemployment, external indebtedness with the threat of bankruptcy, mass impoverishment and, of course, population's dissatisfaction. With political changes and

abandonment of neoliberal economic “recipes” Argentina has achieved macroeconomic stability and economic recovery. Similar political and economic developments characterize Brazil, which in the last decade has, thanks to the abandonment of neoliberal mantras, entered the 20 economically most developed countries in the world. However, the political instabilities of Brazil and other Latin American countries are permanently triggered, in addition to internal problems, by external factors, and neoliberal measures are cyclically undertaken as right-wing political options come to power.

But in truth, some neoliberal measures in the United States and the UK were implemented before the Washington Consensus was adopted, as a reaction to the deficiencies of the state-interventionist economy and the emergence of stagflation. “The World’s Most Powerful Economy - The United States in the 1970s shows signs of weakness. There are several factors contributing to this: inflationary monetary and fiscal policies in the heyday of the Vietnam War (the first half of the 1970s); destabilization of the world economy due to the unilateral withdrawal of the US (15.08.1971) from the convertibility of the dollar into gold; multiple jump in oil prices (1973-1974), etc. The US economy records economic stagnation in relatively high inflation and the time of the 1970s was immediately declared as a period of high stagflation.” (Dušanić 2015:61)

Regan has implemented the concept of reducing the excessive fiscal burden on businesses that leads to economic downturns and tax evasion (Gorčić 2009:58). Former UK Prime Minister Margaret Thatcher pursued a policy of restriction of state powers in the economy, advocated the privatization of public enterprises and the encouragement of private entrepreneurship, so the emergence and application of the Washington Consensus are only a continuous continuation and elaboration of measures of neoliberal economic dogma, which have been called Reaganomics that is, Thatcherism.

THE TRANSITION ROAD OF POSTSOCIALIST COUNTRIES

With the fall of the Berlin Wall at the end of 1989, one of the most significant economic and social transitions with an uncertain outcome began. It was the second economic and social experiment of the 20th century in the post-socialist countries of Eastern Europe and the Western Balkans, guided by the ideas of Western advisers and mentors, directly implemented by pro-Western and market-oriented domestic elites. The first social experiment was the October Revolution in Russia, which projected a path to communism almost a century earlier. (Stiglic 2000:27) Stiglic’s statement is correct, but, time will tell, not precise enough. All Eastern European and Balkan exsocialist countries have made in historical sense a reversible process - a return to capitalism. There seemed to be no dilemma about the choice of socio-political and economic order. Not even about choosing the type of capitalism.

And, the choice comes down to two basic types: Anglo-Saxon and German-Japanese. The first exists in the United States, United Kingdom, Canada, Australia and New Zealand, and the second in Germany, the Nordic countries, Japan and “Asian dragons”. The Anglo-Saxon pattern is “individualistic capitalism” and German-Japanese - “social-market capitalism”. In the German-Japanese pattern, the role of the state is greater than in the Anglo-Saxon. Germany is the first in the West in terms of public entity’s ownership of share capital. In Japan and the “Asian dragons” the role of the state is so great that scientists called it societies with “guided market”. (Babić 2015:149) The determination for the choice of Anglo-Saxon type of capitalism in all post-socialist countries were determined by both external and internal factors. The leading states of the West wanted as quickly as possible an ideological, political, social and economic departure from socialism and the restoration of the relations of capital. And, for the rapid transformation of the state, “shock therapy” is needed, which will be implemented through a transition process based on consistent application of Washington Consensus measures.

The benefit of the states of the West is twofold. First, socialism as a socio-economic system and ideology, as economically inefficient and with insufficient democratic capacity, is finally and irreversibly thrown into the dump of history. And secondly, through the neoliberal measures of privatization, liberalization and deregulation, the social state is torn apart, and with the opening of the market, conditions are created for companies from Western states to acquire ownership rights over companies at a realistic price, and then gain a dominant position (and thus profit) in the new unprotected market. In these efforts, they had the unreserved support of insiders within the transition countries.

Corporate governing structures, part of the segment of government officials, chameleon color politicians, and the newly formed speculative caste in a legally underdefined system have been given a unique chance to express entry into the capitalist class in formation. The Anglo-Saxon type of capitalism was a more appropriate form for the internal “elite” than the more socially responsible and insufficiently aggressive Japanese-German capitalist narrative.

The “nomenclature” (emerging capitalist class - for example, the author) assured the “working people” that it was in his interest as well. It is enough to identify business owners and “liberate” the market for the prosperity to come. So too did the former “working class” become a worshiper of the Anglo-Saxon pattern, carried by the wings of “national capitalism” by Margaret Thatcher and “high technology, small business” by Ronald Reagan. Members of the former “working class” saw themselves as “small capitalists” and no one in the role of hiring workers. Thus, in the “transition”, everyone was involved in fraud: the nomenclature appropriated social property for fraud, and the others were deceived or deceived and agreed to it. (Babić 2015:150) It should also be noted that foreign investors also became part of the newly formed ownership structure, partly

in the old privatization process and partly through the subsequent purchase of already privatized companies.

The bad foreign privatization in all post-socialist countries is the demand for a tectonic change of ownership to take place in the so-called shock therapy version. Hence, privatizations from the aspect of economic theory were mostly insufficiently designed projects, which, under pressure from the international community and Western countries, had to be completed as soon as possible. The practical problem was that in the state-planned economy, the market practice did not know either the valuation or the sale and purchase of commercial enterprises. In the absence of a methodology for assessing market value, a clear government strategy, strictly controlled procedures and lack of competition, companies were generally sold well below actual and market value. The low price of the company was the result of high supply and low demand in the privatization market. The privatization was followed by the liberalization of regulations in the area of movement of goods, services and free movement of capital and deregulation of customs policy, which deprived transition countries of a significant part of budget revenues on the one hand and the protection of domestic economic entities on the other. Privatization capital has often been of dubious origin and the motives of foreign investors were often speculative.

Exposed neoliberal economic policy has, in turn, led to a series of transition countries leading to the economic devastation of domestic industry as well as agricultural production, and the chain of negative economic and social consequences have taken catastrophic proportions; rising unemployment, restrictions on further growth and development due to the weakening of industries that create new tangible assets and allow exports to the world market, although this was one of the “promised” benefits of opening up national economies. Such economic trends were, as a rule, followed by a dominant focus on imports and trade, that is, commodities of industrialized countries, as well as continued external borrowing. (Jovanović, Eškinja 2008:950) Economic turbulence, high inflationary movements, layoffs and rising unemployment and a manufacturing recession were projected by the Washington formula in the early years of normative construction of the economic and legal framework in transition post-socialist states. The political transition resulted in the construction of a multiparty parliamentary system and a departure from socialist ideology based on the rule of one party.

Tectonic changes in the economic sphere were the result of institutional ownership transformation mentored by the makers of the Washington Consensus. (Avramović 2019:33) International Monetary Fund programs aimed at transition economies, in line with this concept, were aimed at fostering short-term macroeconomic stabilization and strengthening the country's balance of payments position, but to a lesser extent of economic growth. The key problem lies in two facts: 1) these programs envisage the successful transplantation of the same stabilization

model in any economy, and 2) their primary focus is short-term stabilization rather than supporting economic development. (Jakšić 2013:88-89)

Reforms of the Washington Agreement were based on a universal model, which is independent and applicable in all transition countries. However, despite the aspiration for transitional convergence, the application of Washington regulations at the national level should have taken into account the specificities of political, economic, legal, historical and, generally, social characteristics that, in conjunction with international circumstances and interests, require a nuanced approach. In doing so, it should start from the fact that the Washington mantras were designed for Latin American countries, not yesterday's planetary economy countries. And it was precisely the transition countries that implemented the reforms selectively and gradually, such as the Czech Republic, Slovakia, Poland, and even the Baltic states, despite the cyclical crises, the transition process ended relatively successfully.

In addition to the aforementioned countries, the IMF's strict directives were not consistently applied by Slovenia, but in their implementation it always proceeded from the assessment of national interests. The successful departure from socialism, the geo-strategic turning to NATO alliances and the commitment to a market economy have been verified internationally by the membership in the Council of Europe, NATO and, finally, the European Union since May 2004. However, all the relativity of a successfully completed transition, confirmed by joining the European Union, is manifested by the fact that even the most successful countries (Latvia, Estonia, Lithuania, Poland, the Czech Republic and Slovakia) took 23 years to achieve a higher gross domestic product than that from the 1989. (www.ebrd.com/news/publications/transition-report/transition-report-2013:2019).

Other transition countries, such as Russia and Ukraine, as well as the Balkan countries, which acted strictly sensu, as instructed by the IMF and Western mentors, had significantly worse economic results. Transitional controversies have been further intensified in the territory of the former SFR Yugoslavia by civil war conflicts and the induced secession of the federal republics, aided by external factors, which have received the final epilogue through the dissolution of the federal state. And the collapse of the USSR, although the product of a compromise between the republics, had similar economic consequences for Russia and Ukraine. In addition to economic, these countries were accompanied by political instability, because unlike the Baltic states that opted for the Euro-Atlantic path, they were for indigenous development (Russia), that is, divided between West and East (Ukraine), but with a market-fundamentalist orientation in blind implementation of the Washington doctrine. The Russian transition of the last decade of the 20th century was characterized by unfair privatization and looting of state property, declining production and GDP, de-industrialization, high unemployment, political uncertainty...

The IMF was until 2000. Russia's guide to transition, but with the change of government control over economic reforms and key energy sectors moved from the oligarchs into the hands of patriotic authorities, followed by a period of product recovery and continued transition in the national interest. (Lekpek 2012:158)

THE TRANSITION ROAD OF CHINA AND THE EXPERIENCES OF EAST ASIAN COUNTRIES

China's economic transition, unlike that of Russia, began in the 1970s and took place in an organized and opposite to the later proclaimed "shock therapy" of Washington's doctrine - gradually and gradualistically. In China, unlike all socialist states, no political transition has been made. Despite the introduction of capitalist regimes, the Communist Party is the ruling cohesion factor of China's economy and society. "The retention of an old authority that had experience and legitimacy gave China political stability in times of opening up the economy and a slow transition, thereby enabling economic stability." (Mustać 2017:889) Unlike most socialist states that have used the universal Washington pattern, China has adapted to the economic transition to the specificities of its economy and national state interests. Gradualism as a method of implementing reforms has also been applied to privatization and market liberalization.

Privatization was carried out in an organized manner, with strict supervision of institutions, preventing the creation of space for corruption and crime, as was the case in Russia. Political stability has prevented economic crimes from privatization, and liberalization in China has also been pursued systematically, protecting Chinese interests. In conclusion, China has harnessed its potential by offering what is abundant, cheap, and manifold labor that Western companies have sought. (Mustać 2017:890) The result of China's economic transition, in which the state was led through its institutions with a legal framework that favored foreign investors as well, was manifested through sustained economic growth and rise of the social and personal standards of the population.

China has subordinated the entire financial sector and monetary policy to the interests of the real sector of manufacture of goods and services (except financial) and is not recording any recessions at all. And the result was quite the opposite. China has been growing steadily for over 40 years. In the last ten years alone, China has grown at an incredible 12 times faster than the EU. And it has reached GDP that is at parity prices even higher than EU (and US) GDP. (Pavlović 2019) The East Asian development model used by Japan, South Korea, Hong Kong, Singapore, Taiwan, Thailand, Malaysia and Indonesia was not implemented on the Washington mantras. Admittedly, these countries completed their development concept in the early years of the implementation of the Washington Agreement, but the neoliberal reforms on which it was conceived

were applied in countries with market economies and earlier on the basis of the governing neoliberal doctrine in the Western world.

A very important difference between this model and the Washington Consensus was the speed and intensity of the reforms - East Asian countries saw the benefits of market opening and globalization, but it was clear to them that the process of opening had to be gradual... Trade liberalization in East Asian countries can be exemplified by such gradual changes: exports were encouraged in the early stages of economic growth, and excessive imports were prevented by high tariffs and similar customs barriers, with the exception of inputs needed for export-oriented production. (Jankovac, Lončarić 20:175)

Despite the indigenous development path that has brought steady growth and prosperity to the "East Asian Tigers", in 1997 a financial crisis ensued. The so-called Asian crisis is the result of the rapidly implemented and partly imposed financial liberalization, one of the reforms of the Washington Consensus. The previous model of investment financing, primarily from austerity, became insufficient, and at the insistence of the IMF, financial markets were sharply open to foreign capital and government controls abolished. The uncontrolled inflow of funds, excessive borrowing and appreciation of exchange rates have led to an increase in consumption and indebtedness and to the collapse of many companies and banks. In addition to the negative consequences in these countries, the Asian crisis has caused disruption in the markets of other countries in the world. Although the crisis has had painful consequences, the positive is that East Asian countries have learned lessons, and subsequently implemented many reforms with the aim of overcoming similar situations in the future. The legislative and institutional framework has been improved, the financial system has been stabilized, capital controls have been introduced, the banking sector has been consolidated, corporate governance has been improved and stricter accounting standards have been introduced. (Kato 2004) Thus, the macroeconomic stabilization of the economies of these countries has again led to economic growth and development with the active involvement of the state in the domain of the economy.

SUMMARY

Transition is the political and socioeconomic transformation of post-socialist states in a desirable capitalist model at the end of the 20th century. This historic reversible process is driven, on the one hand, by the economic inefficiency of the administrative economy in relation to the market, and, on the other, by the aspiration of Western ideology to make a definitive departure from the communist project of a society of equality and justice as utopian. Most transition countries have opted for an Anglo-Saxon capitalist pattern based on neoliberal economic

doctrine. The path to individualist capitalism was based on the Washington Consensus, that is, on a regional program of ten macroeconomic policies designed to solve the problems of Latin American countries. The German-Japanese model of building social-market capitalism for proponents of the market fundamentalism of transition insiders overemphasized the economic role of the state.

The reforms of the Washington Consensus became a universal model and did not take into account the specifics of the political, legal, economic and other characteristics of transition countries. They became international standards, followed by the International Monetary Fund, the World Bank and the World Trade Organization, whose institutional decision-making system is subordinated to the interests of the most developed countries of the Western world. Shock therapy in the implementation of privatization of state and social property, liberalization of regulations in the area of movement of goods, services and capital and deregulation led to the economic devastation of domestic industry, unemployment, economic stagnation and premature opening of national markets. The transition countries that were guided by national economic policies have shortened period of stagnation and gained some of the political and economic benefits of EU membership, but triggered, and from a historical point of view, not particularly impressive economic growth and development.

Countries that blindly implemented IMF and World Bank directives had weaker economic indicators, developmental stagnation and inefficient transition. On the other hand, examples of successful transitional practices have not been recognized, due to the conditional blackmail requirements of international institutions and leading Western states, but also on the sub-national economic policies of internal structures. That the reform moves in the context of the imposition of market fundamentalism by shock therapy were a misnomer speeches and the successful development reform economic policy of the “East Asian Tigers”.

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Ненад М. АВРАМОВИЋ

Станимир Б. ЂУКИЋ

ВАШИНГТОНСКИ КОНСЕНЗУС И ИЗБОР ТРАНЗИЦИОНОГ ПУТА

РЕЗИМЕ

Транзиција је политичка и друштвено-економска трансформација постсоцијалистичких држава у пожељни капиталистички модел на крају 20 века. Овај историјски реверзибилни процес индукован је, са једне стране, економском неефикасношћу административне привреде у односу на тржишну и, са друге стране, тежњом западне идеологије да направи коначан отклон од комунистичког пројекта друштва једнакости и правде као утопијског. Већина транзиционих земаља определила се за англо-саксонски капиталистички образац заснован на неолибералној економској доктрини. Пут у индивидуалистички капитализам одвијао се по Вашингтонском консензусу односно регионалном програму десет макроекономских политика намењених решавању проблема латино-америчких држава. Немачко-јапански модел изградње социјално-тржишног капитализма за заговорнике тржишног фундаментализма транзицијске инсајдере пренаглашавао је економску улогу државе.

Реформе Вашингтонског консензуса постале су универзални модел и нису уважавале специфичности политичких, правних, економских и других особености транзицијских држава. Оне су постале међународни стандарди иза којих су стајали Међународни монетарни фонд, Светска банка и Светска трговинска организација, чији институционални систем одлучивања је подређен интересима најразвијенијих земаља западног света. Шок терапија у спровођењу приватизације државне и друштвене имовине, либерализација прописа у области кретања роба, услуга и капитала и дерегулација довели су до економског девастирања домаће индустрије, незапослености, економске стагнације и преурањеног отварања националних тржишта. Транзиционе земље које су се руководиле националним економским политикама период стагнације су скрatile и неке политичке и економске бенефите добиле чланством у Европској унији, али покренуле и, са историјске тачке гледишта, не посебно импресиван привредни раст и развој.

Државе које су слепо извршавале директиве ММФ-а и Светске банке имале су слабије економске показатеље, развојну стагнацију и неефикасну транзицију. Са друге стране примери успешне транзиционе праксе нису препознани, што због условно уцењивачких захтева међународних институција и водећих западних држава, али и поданичке економске политике интерних структура. Да су реформски потези у контексту наметања тржишног фундаментализма шок терапијом били погрешни говори и успешна развојна реформска економска политика „источноазијских тигрова“.

Кључне речи: Вашингтонски консензус, транзиција, неолиберална политика, ММФ, либерализација, дерегулација, шок терапија.