

**“Serbia’s Transition - Towards a Better Future”**

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The monograph "Serbia’s Transition - Towards a Better Future" is one of the few texts that I read voraciously as a reviewer, wanted to read everything right up to the end, and then came back to reread some parts. In doing so, every time I've discovered some new messages between the lines. Unable to embrace the whole story in my review, I will address only some selected and powerful excerpts.

A scientific monograph, among other things, ought to be comprehensive. When it comes to this monograph, Milica Uvalic has surpassed the usual standards. Firstly, because of the weight of scientific - research problems and complex scope of all analyzed economic, political, historical, social, and international developments, conditions and factors of influence which acted actively, directly and indirectly in the observed 20-year transition period of crisis. Secondly, because of the courage of the author to present all relevant data reasonably, analytically and competently, which indirectly criticizes the applied quasi-neoliberal model i.e. pseudo-institutional monism, which in Serbia, as in many other transition countries, has led to numerous problems, degradation, deformation and polarization.

Thirdly, because of the patriotic, not only scientific need, to present to the world and the region (which exists not only in differences but also in many similarities) and to the Serbian public a brilliant political-economical analysis of the transition reality, with all of its development

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blunders, errors and obliquity. Therefore it is not a coincidence that in 2010. this valuable monograph entitled "Serbia's Transition: Towards a Better Future," has been published by the famous English publisher, "Palgrave Macmillan", and that it was praised by so many famous scholars such as Susan L. Vudvard (City University of New York), Jan Svejnar (Columbia University of New York) and Saul Estrin (London School of Economics). Here are just some of the selected excerpts from their reviews of this monograph.

Susan L. Woodward wrote: *"This is an extraordinary book. First, there is nothing else like it, and partly because no one else could have accomplished this. It is an immense bounty of detailed scholarship, information, nuance, and knowledge based on personal experience that is very rare, close to unique. Milica Uvalic has given us a gift for which we, and especially graduate students and young scholars, must be truly grateful... The book is also quite amazing and rare for its honesty. For example, in the discussion of the transition strategy chosen after the anti-Milosevic coalition won the elections of October 2000, Milica Uvalic confronts dead on choices of transition strategy with which she clearly disagrees, but instead of being critical, she remains analytical, is impressively fair-minded, and discusses why she believes they had no choice. This is only one example of honesty throughout - always presenting both or all sides of the story. People who do know her views, and are not sensitive to them through the recommendations in the last chapter about where to go now, will not see them here - they are embedded in continually careful scholarship and analysis ..."* (Nationalities Papers, 2012, Vol. 39, No 5, pp. 837-9).

Jan Svejnar wrote: *"Milica Uvalic has written a very impressive book. It is the first comprehensive book in English on Serbia's transition. It deals with an important topic and adopts a suitable approach. It includes an ample amount of good data, which, with sharp analysis, makes its results credible. It draws reasonable conclusions. The book aims to answer a fundamental question, namely why a country with very good starting conditions has ended up lagging behind. It does a very good job in answering this question... My overall assessment is that this is a very well-structured and balanced book on an important topic. It is based on a monumental effort to gather all available data and on a careful political economy analysis. The book is a valuable base for understanding Serbia and for policy-oriented discourse in general. In concluding, I would raise two conceptual issues to the author for future research. What type of industrial policy would be most appropriate for Serbia? Second, what would be the most appropriate policies to encourage wage employment? Experiences around the world have shown that attempts to formalize an entire economy through measures that strive to subject all workers and entrepreneurs to the taxes and regulations of the formal sector can destroy employment, reduce GDP, and hamper small-scale entrepreneurial capacity ..."* (Nationalities Papers, 2012, Vol. 39, No 5, pp. 833-4).

Saul Estrin wrote: *"It is long overdue for us to have on the shelves a serious book on transition in the former Yugoslavia (Serbia) to join the dozens of volumes on Russia, Poland, and Hungary... Uvalic charts with great care the murky waters of Serb economics and politics in this troubled era, and helps us enormously in understanding why. In fact, the book is much more than just a recounting of the facts of Serbia's unhappy recent past. It is special because Uvalic has a command of the big picture yet a mastery of the detail. I have tried to keep up to some extent on transition and on former Yugoslavia, yet I was learning things on every page. Moreover, the story itself is a fascinating one. Yugoslavia started as a front runner in transition yet went backwards first for 10 years. Even after reforms finally started, things in some ways jumped forward but at a deeper level they actually went much slower. Milica gives a clear explanation as to why, highlighting external constraints, not least the negative attitude of the world community and EU in the 1990s... But she also highlights the role of wars and internal factors, more often political than economic. Yet through this careful sifting of the facts and the data, Uvalic is also able to tell a human story, by the skilful use of boxes to illustrate her own not inconsiderable role in this history. Thus the book represents a beautiful balancing of personal and analytical evidence. This is a fascinating book which provides a definitive account of the transition in Serbia from one of six Republics of Yugoslavia to an independent state. It treats the complexities of the Balkans with an ease and clarity which are rare and refreshing. The book also reveals the inter-connections between politics and economics in the transition process, and the ways in which the*

*former might effectively prevent, rather than just hinder or delay, the emergence of a market economy ..."* (The European Journal of Comparative Economics, 2011, Vol. 8, n. 1, pp. 155-7).

What is left to be said after such great observations?

The monograph analyzes and explains the dramatic conditions, causes and consequences of twenty years of transition in Serbia, through the prism of historical, political and economic events during the crisis, which operated in combination. The author wrote a multidisciplinary, detailed, accurate and competent testimony, which in many parts and issues characterizes the other states of the former Yugoslavia as well. By using this methodology she has found the right combination to explain most of the transition experiments in Serbia and in other areas of the region.

Perhaps I'm biased, but it seems to me that economists, especially critics of neoliberal economic policies will be mostly interested in the 7th part of the monograph, in which the author analyzes the known and recorded failures and negative factors of influence, but also stigmatizes obvious errors in a conceptually original and unobtrusive way and correctly notes that many of the reforms, that should have been complementary to the process of privatization, were a failure. I read and wrote a lot harsher transition and privatization critiques in the region. However, comprehensive and progressive analysis and objective criticism of Milica Uvalic deserves praise. It deals with the statement of uncontested issues and explains them by confirmed facts, scanning the complete and complex social-economic problematique.

Although it does not investigate deeper and wider the array of socio-pathological causes (which is not even necessary, because they are well known and visible to the naked eye), she mentions the key causes very selectively and correctly: lack of institutional changes (p. 260), the tycoon method of privatization (p. 269), the new oligarchs (p. 272), and the authorities as the biggest and the most responsible culprit for all these problems (p. 347). Clearly, truthfully and bravely. Systemic recombination and long-term metastasis of the tycoon phenomenon, criminalization, corruption, the inconsistent and vulgar neo-liberal economic policies, lack of expert knowledge in the conduct of economic policy, tycoon privatization etc. created a specific brake mechanism of post-socialist transition. It eventually became a major cause of reproduction of economic and social crisis in Serbia, as in many post-socialist countries. New dogmas and new dictates were created, and along with them new forms of exploitation and monopolization, which undermine real institutional changes.

Milica Uvalic offers the only reasonable development alternative: "*a different active role of the state.*" I interpret it as a proper and fair advocacy for urgent institutional economic pluralism. In this commitment to a "*new conceptual framework, which is based on the significant role of the state and active economic policies*" (p. 328) I see an outstanding contribution of the author. This practically means that the majority of post-socialist transition countries will have to correct (reform) their reforms, the unsuccessful macroeconomic policies and long-term development goals of the transition. In a word, to apply institutional changes to the existing "institutional changes". I see this monograph as an important contribution to the proper observation of the institutional role of state regulation. The author rightly points out the strengthening of all institutions as a priority and a prerequisite for elimination of the negativity, rhetoric and non-functional substitutes and disastrous alternative institutions. In a manner of an experienced and informed economic specialist, she competently recommends a reasonable and alternative pro-development strategy to the so-called "reformers". I believe that the creation of a new, institutionally pluralistic development model is not possible without the fundamental overcoming of anti-development neo-liberal economic policy that is too deviant when compared to a theoretical model, so that it actually represents its absolute negation based on neo-Bolshevism, as its creators were preaching one thing while thinking about and doing something quite different.

The author persuasively proves that there are no mysteries and secrets in the economy, and if there were, they exist only in its essence, in the homelike behavior, rational choice and healthy competition, which were often twisted in the period of transition, reduced and determined by the organized minority, which according to its networked interests, directs, controls,

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exploits and determines the disorganized majority. Therefore I had a feeling, as I read this remarkable book from the beginning to the end, that the author wanted to reveal to us the difference between the virtual and the reality. And not just this, but even that vague limit, which often lies under layers of false and / or shrewd interpretations, misconceptions, dogmatic thinking, ignorance, barren elaborations, apologetic explanations, interest improvisations and lots of bad manifestations, which I have often named the "economic googlism" in my own articles (to put it mildly: selling fog).

It is praiseworthy that the author uses the good old political-economic analysis model. Because, without it, we would not be able to explain the excessive and destructive domination of politics and extreme particracy over the economy, or the roots of the new economic dogma, new economic reductionism and new forms of exploitation. A unique quality of the monograph is contained in the optimistic subtitle – "towards a better future" - which implies the necessity to learn from previous mistakes, correct them and adapt to developmentally positive exemplary models. Her well-intentioned message that "the region of the Balkans is part of Europe" also sounds tempting.

All of us, probably, love our similarities. In the considered monograph I recognized many similar or identical thoughts and efforts, particularly the idea of institutional pluralism, which I have stubbornly opposed to all forms of institutional monism for a long time, including the interest-oriented pseudo-neoliberalism which was dominant for two decades. I have experienced the monograph of Milica Uvalic in its substantial part as an expert critique of institutional monism. She gave me the inspiration for the inevitable question: Weren't all dictatorships, indoctrinations, absolutizations, totalitarianism and imperialism based on monism? But she also inspired me to provide an answer, which is similar to my suggestions and thoughts.

The holidays are there to be celebrated. The publication of this valuable scientific monograph of lasting significance is a holiday for economic publishing. I am happy that with this review I will have a modest part in this celebration.

Milica Uvalic's book is available in English (2010) from Palgrave Macmillan (UK) or in Serbian (2012) from Zavod za udzbenike (Serbia).

Veselin Draskovic

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