The Benefits of Ignoring IMF

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Summary

Transition in Eastern Europe and former Soviet Union began without clear picture of the actual situation, without fully worked-out scheme of a new economic system, and without suitable economic and social arrangements in place. They were replaced by explicit or implicit belief that elimination of deformed non-market institutions, restoration of private ownership, and a laissez-faire free market mechanism would transform socialist countries instantly into welfare states. Illusions, supported by IMF, other financial institutions, and numerous Western advisers proved to be illusions.

Slovenia has been often considered a success story of transition. Economic performances in the first decade of the country"s existence have been satisfactory and social costs of transition have been rather low. The reasons for that can be looked for in two major directions: initial conditions and patterns of transition. Indeed, Slovenia possessed far the best initial conditions. Many essentials of a market economy were created before 1989; enterprises were autonomous, basic market institutions existed and government used standard economic policy tools. Not less important was the fact that SlThe Benefits of Ignoring IMF

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