

Title: War, Sanctions and Economic Meltdown: the Experience of Serbia

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Abstract

This paper considers the impact of both sanctions and war on the process of economic transition in the Republic of Serbia. After the collapse of the former state of Yugoslavia in the early 1990s and the outbreak of civil war amongst its constituent parts, Serbia-Montenegro remained as a rump state. Under the socialist-cum-nationalist regime of Slobodan Milosevic the economy retained many of the characteristics of the quasi-command economy of its Yugoslavian predecessor. Following defeat in the Kosovan war and the overthrow of the Milosevic regime in October 2000, however, the new government began a process of economic reform and late transition, hampered by a massive collapse of industrial output, high inflation, large budgetary and external deficits, under-investment, infrastructure decay and low growth. Using evidence gathered from research visits, interviews, locally-sourced data and secondary literature, this paper examines key issues relating to the conduct of, and progress with, Serbian economic reforms in the context of an isolated and war-ravaged system..