

## NEOLIBERAL RHETORIC AS A METAPHOR FOR QUASI-INSTITUTIONAL MONISM

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### ABSTRACT

*After more than a decade of writing and critical analysis of neoliberalism, which resulted from a negative attitude towards the serious consequences that has produced in practice, We decided to try to explain its metaphorical essence. It is necessary, at least from a short historical distance, to examine individual opinions, conclusions and critics. We think that term neoliberalism has been incomplete, because it contains a significant metaphorical level. Therefore it can not be easily defined, especially not by using unilateral interpretation, according to which it represents imposed market entry in the specific context of public policy.*

*The aim of this manuscript is to point out:*

*- neoliberal causes of the permanent and crisis transition, which caused major problems and deformities, and created a new dogma with uncertain lifetime,*

*- inadequate civilizational environment (in Huntington's definition), etatistic tradition (in Berdyaev's definition ) and the creation of a quasi-institutional conditions that have enabled the introduction of new elitist (to a certain extent and sense of totalitarian) system under the mask of neoliberalism,*

*- the fact that forcing of quasi-neoliberalism is a privilege of unreasonable and/or highly interest oriented „reformists“, because delaying changes means delaying development,*

*- the difference between rhetoric and practice, ie. between the story of liberal democracy (which promotes the rights of individuals, human and social freedoms and human rights, as opposed to collectivism, totalitarianism and authoritarian policies) and quasi-neoliberal economic policies (global and transitional), that were dominant worldwide and paradoxically violates all liberal principles,*

*- the use of state as a screen for expressing expansive nomenclature interests and non-market appropriation of its significant resources.*

*In this manuscript We have marked neoliberalism as We perceive it: as a metaphor (or, metaphore) for multiple scam of the population. This text is an attempt to, with arguments of alternative choices and institutional pluralism, relativizes neoliberal absolutism, and with argument of historical analogy to express the faith in terminating all empires and absurdity of human endeavor to conquer the world.*

*We start from the hypothesis that the quasi-neoliberalism in particular events (monism, privileges, dictation, etc.) resembles the elitist dirigisme.*

**KEY WORDS:** *Neoliberalism, Quasi-neoliberalism, Transition, Quasi-neoliberal Economic Policies, Non-market Appropriation.*

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JEL classification: P21; P37;

Received: February 25, 2014 / Accepted: September 12, 2014

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## 1. INTRODUCTION

The development paradigm with particular criteria and values has existed in all historical periods of the society. Development has always had a contradictory character, because order and chaos have never existed in a pure form, but in different combination, with domination of one form or the other. They were mutually interdependent and dependent in their intertwining. The dominance level of order or chaos in society was determined by the extent of the crisis in general and in specific areas, and consequently by the rate of development. One of the most important and the strongest driving forces of modern civilization is a connectivity, causality and dependence of the market economy (which basically contains private enterprise), of the technological progress and of the institutionally developed and of the flexible government regulation.

We live in a time that according to the perception of many authors, neoliberalism (as an ideology, doctrine, philosophy, theory and metaphor) in global and local boundaries *manifests* itself as an immoral, inhumane, brutal, chaotic, crisis and hegemonic system (order) of power, governance, violence, exploitation and greed. This is the time when everything is relativized, thanks to neoliberalism, paradoxically and ironically, due to interests and rhetorical absolutism of freedom and market. An alibi-neoliberals are placed in the position of neoliberal metaphor! It seems like amorphous, monotonous, orchestrated anti-state, anti-national and anti-development bluff, rooted in a patronizing state levers! L. Althusser (1970) has made a distinction between the state's repressive apparatus and the ideological state apparatus. The repressive apparatus is palpable and is applied in public bodies (police, judiciary, army, government administration). Ideological state apparatus is invisible and keeps the society together. It points out their interdependence. Ideology is a social process, which operates through certain segments of the society (church, family, education, politics, unions, media).

Nothing new, though! Economic science has often led a double life (in theory and in practice) during its development. Here is a follow-up statement by M. Kovacevic (2012): *„In these turbulent times, the issue of economic reforms and policies was relinquished to a group of economists of very modest knowledge and they were assigned to departments, or areas they had never been studying in their professional careers!“*

A new time requires new ways of thinking and behaving. It should be reduced to the adaptation towards civilizational achievements for active involvement in the contemporary processes and flows. This essay is an attempt to provide its own view of the neoliberal metaphor as a serious social challenge, and the response to that challenge. The task of economists is not only to provide answers to theoretical questions, but to objectively, ideologically, neutrally and critically analyze the economic theory and its application in economic reality, as well as explanation of the methods and factors that have contributed for the nations of post-socialist countries to quickly break up with everything (or almost everything) what they were worshipping for decades, and to expiate (many nostalgically) because of it today.

We intention was not to advocate a return to the old system. We guess it is quite clear that socialism was not effective, therefore its crisis had initiated the process of transition, *„changes in the value system had coincided with the economic necessity“* (I. Naisbitt).

Before the current global crisis D. Rodrik et al. (2004) concluded that the time of neoliberalism and the Washington Consensus (hereinafter: W.C.) is finished, and offered alternatives (what should be done after neoliberalism). Later, he formulated this idea in his article (2006) as follows: *„Proponents and critics agree that the measures inspired by W.C. did not give desired results. Therefore, current debate is not about whether W.C. is dead or alive, but what will replace it.“* The alleged "creator" of neoliberalism, J. Williamson, after the outbreak of the global economic crisis, said that it was a mistake. But as much as it was a mistake (yes, it is a mistake and a sin), it still lives. Not only in memories, not only in the abstract and inconsistent writings (interest-motivated) proponents and (futile) critics, but also in the everyday events of social and economic reality: inequality, poverty, exploitation, etc.. It lived before its new nomination, it lives and will live, but probably in some other forms and names. How and why?

The answer suggest words from the speech of N. Chomsky at the Rome Science Festival 2014, where he presented his new book „Masters of Mankind 1969-2013“. He said that technocratic and financial oligarchy rules the world, that European democracy is dying, because the policy only serves for bankers and bureaucrats to make profit and become richer. In addition, he said the following: *„Our societies are moving towards plutocracy, which is the main objective of neoliberalism. Numbers from the British Association of Oxfam are frightening - 85 richest people in the world have the same wealth as 3.5 billion of poor. This is the biggest attack on the world's population for the last 40 years ... it is just as important as the wealth that flows into the pockets of 1 % of those who are at the top, those who decide on world politics.“*

These words provoke memories of numerous works on neoliberalism (*pro et contra*). But perhaps the most striking statement was of Russian writer and historian N. Karamzin. When he arrived in Paris at the beginning of the 19th century, Russian immigrants greeted him at the train station and asked what was new in their country. He briefly replied: „*Robbery!*“ He was referring to unscrupulous plunder of those people who were high in the hierarchy. History is repeating in some things. Today, there is a strong awareness (and certificates) of the thefts, corruption and many other system abuses, which make social pathology of the society(s).

The latest Chomsky's oration, as well as Karamzin's statement, could have been an inspiration for writing this manuscript. But it is not. My motive is an old idea, to be jointly published and compared to a number of other and my own views, which has been partially published in various scientific papers and journals in recent decades. And to try to devise an objective story about subjective discussions on neoliberalism and its controversies, paradoxes, myths, reviews, approvals and contradictions, that were dominated, as it seems - by the antinomy and multivoice. So that this story would not be just a critique of a paradoxical, contradictory, crisis and longterm process (which does not flinch) with poor results, but a reminder and a landmark in the struggle for loudly proclaimed freedom, democracy, institutionalization and a some better, more just, more humane and more developed society.

The reason for writing this manuscript is not just analysis, explanation and critique of neoliberalism and its forms, but also the cause of its evolution towards vulgarized quasi-neoliberal model. The aim is to point to the existence and functioning of the vicious circle of crisis (global and transitional), created by the following relation: theoretical neoliberalism<sup>3</sup> as an institutional monism - its vulgarization, dogmatization and subjectivity in practice - through manifestation of freedom of operation and connectivity of supranational and national elites - tycoonisation and the criminalization of the economy and society - reproduction of the crisis. Mentioned relation has been maintained by paradoxical contradictory between rhetoric of universalism (pluralism) and its practical reductionism (quasi - monism).

In our previous works We have repeatedly marked the holders of neoliberalism, quoting their grotesque thoughts and analyzing the detrimental effects in applying this model in transitional countries. Therefore, this article is not written to point out the culprits or their recognition (I realized that was useless long time ago), but only the phenomenological and ontological critique of quasi-institutional monism and advocating the institutional pluralism, which I believe is civilizational and development imperative.

We did not want to cite some orchestrated views of „neoliberals“, who are known, more or less. I thought it would be enough to name their arbitrary and dubious unsubstantiated opinions a common term: neoliberal rhetorics, dogma, apologetics, demagoguery, clocklotrism and, of course, a metaphor.

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<sup>3</sup> Liberalism has evolved from large scientific and intellectual doctrine to narrow ideological apologetics of the specific policies, which was (and still is) implemented in the interests of certain social groups. Losing touch with its scientific basis, ideology always called upon to it, declaring its continuity. Modern neoliberals are doing the same thing: referring to the tradition of the great thinkers of the past, ignoring the fact that they have gained fame in the struggle against feudal tyranny and absolutism, fighting for human rights, the constitution and civil freedom. In neoliberalism little remains of classical liberalism, even less could be said about the quasi-neoliberals and their dominant interest motives.

It is irrelevant for this article who, when, how, why and what has some „neoliberal“ once said or wrote. It is important that neoliberalism has continuously served as a metaphor! Another reason for avoiding so many neoliberal ideas, is that no neoliberal have never responded to my criticism and the questions that I have openly and publicly addressed to them, on several occasions. Naturally, some of those questions will be analyzed in this text again. However, I must mention two typical, too recognizable and often repeated regional neoliberal „pearls,“ which are distinguished by their non-scientific, tendentious, demagogic, declarative and defensive apologetics. They were published at various places and in various occasions, by authors from various countries in the region. I do not know if they were agreed, copied or just suspiciously and accidentally similar?

They emphasize that there is (in those countries i.e. just locally) alleged „ideological struggle between liberalism and protectionism, liberals and dirigisme“! Imagine that metaphysical simplification! As if there is any struggle and as if in that „struggle of opinions“ wins or decides one or the other? As if there is no battle of ideas among wellknown authors and developed countries? Existing in quasi-monistic, quasi-institutional, anti-developing and high interest circle of frauds, metaphors and „meta-phors“, so-called neoliberals seem not to notice the possibility of existing institutional pluralism featured in developed countries and economies?! Their view is purely monistic (out of habit, need and interest), through black-and-white prism. Therefore they see only liberals and dirigists! That is why at conferences they were always bothered by the term „mixed economy“, which was just a symbol of institutional pluralism. Blinded by privileged and exclusive individualism, they (intentionally) fail to recognize the logical and civil need for *mass* of effective owners, for rational and motivated individuals, nor enormous inequality and expansion of the crisis, caused by quasi-neoliberalism.

## 2. NEOLIBERAL EXPERIMENT

Globalization and transition have lost their universality and integrity, and therefore the confidence of the masses in positive outcome. That's why We wrote that globalization (some call it „filthy globalization“) should be globalized, and the transition should be reformed.

In most countries of transition reforms have been palliative and unsuccessful. Predictions and promises to improve the living conditions, freedom<sup>7</sup> and economic development have not been realized. Delayed socio-economic processes and long-term reproduction of crises are accompanied by growing criminalization of society, negative selection of staff, ignoring knowledge and education, more debts, unemployment, dogmatism, destructiveness, instability, chaos, and many other negative phenomena and trends. Many authors believe that their quasi-institutionalization is common denominator, but neoliberalism is theological and ideological<sup>8</sup> basis and fundamental cause. There is a difference between theoretical stronghold of neoliberalism and real practices and economic policies, where the theoretical model has been vulgarized by application of double standards, initiated by interest motives of the „reformers.“

Most of the counties in transition, particularly the Balkan countries, are characterized with deep post-socialist problems, deformations, and disproportions, which have been deepened and complicated even more by global economic crisis. These consequences are results of erroneous economic policies and nonexistence of consistent developmental strategy and they also represent the focus of threatening crisis. Certain decision makers of economic policies, in the midst of unprecedented state interventions, are glorifying neo-liberalism (thanks to which and on which waves they most probably came to power). They are forgetting that significant donations from abroad, direct foreign investments and loans are not the result of neo-liberal economic successes but of a concrete politics of the West towards the region (V. Draskovic, B. Yernkyan, and M. Draskovic 2014, p. 114). As for economic development of the Balkan region, it is based on permanent discrepancy between rhetoric on pluralistic institutional changes and monistic implementation of neo-liberal recipes of macroeconomic politics. The latter one has been extremely motivated by interests of insatiable appetites of state nomenclatures, which represented the main obstacle for institutional changes, apart from noticeable socio-pathologic milieu. All of this

resulted in long-term destabilization of economic systems through disinvestments and spilling over of positive effects in spending instead of production.

This is an opportunity to outline the key *diferencia specifica*. Whether it is about application of theoretical models of neoliberalism, or about its practical vulgarization (quasi-neoliberalism), the institutional monism is in question, with its anti-development character and directly opposed to institutional pluralism. Controlled, complementary and interactive functioning of all economic institutions is time imperative and has no alternative. The belief in the neoliberal formula grew into the myth and turned into a cult, which paved and expanded highways of globalization and transitional mission. These abovementioned formulas have caused enormous social and economic problems, inequality, discontent and crisis. A numerous alarming warnings and criticisms of neoliberalism, made by some known to economists, sociologists, and other authors, didn't help.

The latest global financial and economic crisis, which „followed up“ the existing transitional crisis and other crisis, has sobered up the world and gave a convincing answer to the question of its main cause. It became clear that neoliberal experiment and improvisations caused devastating and unfathomable consequences. Using various instruments of financial „gymnastics“, boundless neoliberal deregulation dynamics have exceeded actual limits of economic reality, as well as the moral and institutional requirements (constraints) of rational human behavior. The newly created panic situation have broken the mystical belief in magic and self-regulating power of the market. Transparent and interest-oriented neoliberal formulas of economic policy have been dismantled, but not destroyed, because their roots are deep and wiry in all spheres of social and economic reality. And their motives are infused into history. Through the prism of logic and gnoseology it only seems paradoxical. But through the lens of phenomenology and ontology, there is nothing strange, because the order of the above formulas is maintained by the same methodology by which it was created: paradoxes, promises, opportunistic behavior, interests of big capital and power ambitions.

The neoliberal formulas were (and sometimes remained) just myth, actually put in the function of creating and maintaining a dogmatic, elitist, destructive and greedy concept of establishing and maintaining power, which tends to become omnipotence and total domination (country, unprincipled coalition, party in power and privileged individuals). It is a new „business“ formula of so-called „clockotristic“<sup>4</sup> character, used for maintenance and expansion of the hegemony of elite and their large capital, created by non-market actions. On a global and local level, it is based on exploitative motives and interests (towards underdeveloped countries and masses). It is well known that the development can not be based on the leaps. But it also can not be based on ignorance, immorality, lack of trust, lack of cooperation, social pathology, anti-civilizational and anti-human standards, anti-natural and anti-development antinomies, divestitures, false rhetorics, bluff, deceit, inequality, exploitation, unilateralism, monism, domination and demotivation.

Neoliberal ideological and economic formulas have been accepted as absolute truth, developmental monistic imperative preferred form of economic (market) relations and universal measure of social relations. Nothing was left outside the commercial efficiency and market competition: no education, no culture, no health or social care. Every interference by a public institution or social forces in the market has been declared unnecessary and harmful. It was numerously misused.

In their propaganda and practice, neoliberals have ignored the class relations, social differentiation and individuality in a mass scale. They have reduced the institution of state regulation to minimum services to the population (defense, justice and legislative system) and support of the market-based system, especially in the period of crisis and market fiasco (failure). Monistic quasi-market reforms in post-socialist transition period have failed to substitute the huge institutional vacuum, moreover, they have led to their expansion and transformation into a quasi-institutionalization.

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<sup>4</sup> Metaphore for selling goods for a bill, throwing dust in the eyes, bying pig in a poke, etc.

We have never criticized the known and indisputable advantages of realistic, desirable and useful liberalization, which involves the expansion of an integrated market and healthy competition, increase the efficient private sector as a mass phenomenon and socially sound entrepreneurship. I have always advocated the reallocation of resources in the most rational alternative use, the need to adopt the latest knowledge, skills and technology, to increase productivity and efficiency, economic stabilization that ensures economic growth and employment, the development of a pluralistic institutional order and the rule of legal state. We have written that original neoliberal economic doctrine, as a positive economic theory *per se*, was not a bad thing (on the contrary). It assumes specific conditions and limitations, based on certain assumptions, considerations and recommendations, which are useful in certain micro-and macro-economic conditions, and the selective application of the like. But, We have pointed out that: theoretical postulates are one thing, quite different, inadequate institutional and another conditions, where neoliberal recommendations are implemented, and third is their deviant and vulgarized application (marked with prefix quasi) in many underdevelopment, post-socialist economies.

There are regulated, efficient, flexible and strong (indeed: commercial, institutional, resource and organizational) developed countries, and there are resource and institutional collapsed so-called „rapacious“ post-socialist countries, which are mostly out of control. It has never been quite clear if the further „minimization“ was even possible?

In position of expressed post-socialist social and economic non-system (organizational, institutional and normative vacuum) it was not possible to create effective economic institutions. Government structures have opted for recombinant institutions, which enabled the establishment of various forms of quasi-institutional relations. Forcing institutional monism (of market) caused unforeseeable consequences. Various market constraints have contributed to the flourishing of uncontrolled forms of markets, which have nothing in common with the institution of effective regulation of market. The consequences were logical - elements of crisis have multiplied (low standard of living, social stratification, weak motivation system, unemployment, decline in production and all economic indicators, expansion of social pathology, criminalization of the economy and society, systemic corruption, gray economy, inefficient rule of law and al.). All this have deformed and reduced the economic reality and general institutional structure.

M. Draskovic and N. Grgurevic (2013, p. 72) state: *“Ignoring the essence of neo-institutional economic theories and institutionalization as a practical process and specific socio-economic development ‘technology’, using its potential weaknesses of a systemic nature (possibilities for manipulation), quasi-reformers have imposed the individual ‘efficiency’ on the social efficiency. Using various non-market methods and procedures, they have transferred a significant part of the social (state) property into private property... Even if there were good intentions (and there were not, only profitable), the realization of any rules of conduct can be multivariate, depending on institutional and cultural environmental factors, but primarily on interests of the dominant political party (or coalition) in power. Strategy of ‘growing institution’ (Stiglitz) and ‘transplanting the institutions’ (Polterovich) does not fit in here. The causes are always the same - social, political and interest, but also methodology of reproducing institutional dysfunctionality (paternalism, nepotism, passivity, tradition of violating the legal norms, possibilities for unpunished manipulations, abuse and compensation, log rolling, lobbying , annuity-oriented behavior, etc.).”*

In time, structure, quality, quantity and function, institutional changes were behind other transitional changes, instead of being their support, stimulus and guarantor. In addition, there was a large gap between the formally established economic institutions and economic behavior in practice, which was far from the standard norms. Practice has shown that the forming an efficient economy of dominant market type was insufficient for bringing down the old control and managing mechanisms of the socialist system, for privatization of state assets and implementation of standard measures of macro-economic liberalization and stabilization. Many market institutions have not been formed, not even some of their essential segments. Also, the market infrastructure and culture have not been significantly enhanced. Unfortunately, integrated market is still an abstract noun, which is why it resembles the neoliberal mythology. Many market substitutes, mutant and pseudomarket structures have been rooted. Now, they only mimic a market

infrastructure: flea markets, black, gray and quasi-markets (in a function of survival of the majority of the population), and monopolies (in a function of enrichment of minorities - Draskovic 2010). Competition is reduced to these primitive market structures. Overall analyzes of market relations in most post-socialist countries show that monopolies have fully exploited all the opportunities that they were amply indicated (enabled by privilege).

After unsuccessful socialist experiment, economic and quasi-institutional experimentation was applied again. Maybe it's time to discuss the impact (that ) individualism had on collectivism. Individuals had a concept of collectivist basis and ideas, which indoctrinated masses have unconditionally supported, at rallies, party meetings, revolutions and in practice. Post-socialist „neo-reformators“ were also just individuals, sheltered behind the party and/or academic titles. They have conceived so-called individualistic basis, which should have been applicable to all. But they were applicable and appropriate, as it seems, only and/or mostly to them - creators of quasi-individualism (vulgar neoliberalism), representatives of the nomenclature of authorities and their lobbyists. The application of (often rigid) own „development experiments“ with neoliberal macro-economic formulas of developed countries in terms of inadequate post-socialist microeconomic environment and particularly underdeveloped institutional environment, has led to disastrous consequences.

In this context, M. Delibasic (2014, p. 23) writes: *„Transitional institutional environment, predominantly focused on the promotion of market institutions and privatization, have lost not only pluralistic institutional capacity, but also some of its vital elements (legality, good judicial practice, control and changeability of government, the rule of law, etc..). That led to deterioration in the efficiency of the implicit social contract, an increase in opportunistic behavior and the formation of a quasi-market structures, which have consequently prevented the efficient functioning of markets. The non-market appropriation has been widely enabled, and transition reforms discredited. The social and organizational capital have received new control and new owners, with the help of a dominant alternative institutions and numerous conflicts of interest.“*

### 3. NEOLIBERAL PARALLEL AND NEOLIBERAL TOTALITARIANISM

Despite their parallel existence in time, globalization and the transition are overlapped in methodology, interests, crisis and ideology. Neoliberalism is their common denominator. A neoliberal parallel means that both processes were essentially manifested through the reproduction of large problems and crises (which in time and territory had different intensity, shape, origin and duration), but also through their shift from developed to underdeveloped countries, from rich to poor, through various forms of relationships and dependencies. Almost everything connected with globalization and transition is basing, beginning and ending with the story of forcing the market as economic institution (regulator and coordinator), competition as its primary lever and economic freedom as its basic assumption. However in practice, the market, competition and economic freedom are not forced as a new (neoliberal) landmark of „development“, but on the contrary - the formation of supranational authorities (global) and national (transition) elite.

Reform and practice of many post-socialist and other countries has severely reduced proclaimed principle of uncontrolled markets. Post-socialist transition has convincingly shown that the „reformers“ were balancing (in accordance with their own interests if necessary), between use of neoliberalism as a metaphor of the hegemonic order (by the rich minority) and disguised protectionism (towards the poor and the defenseless mass). In practice, the propagated competition and economic freedom have been substantially suppressed at every step of the growing international and national monopolies and non-market won competitions. Only the facade changed and apparently humanized the manifestations of the „reformed“ forms.

Post-socialist practice shows great similarities and/or the oneness of the neoliberal ideology application as a mask of the rich people (in the style of many authors: imperial) tendencies. Therein lies the specific parallelism of globalization and transition, the global and transitional quasi-neoliberalism. According to many negative events, it seems that socialist utopia, institutional monism and dogmas were just replaced with new utopia, new quasi-institutional monism and new dogmas. Dictation and violence of the state were replaced with dictation and violence of the

„new entrepreneurs“ (nouveau riche). The dominant and retrograde request of time – *getting rich at any cost* – remained the same. This is the essence of globalization parallelism and transition. Paroles, promises, domination of politics, the crisis reproduction, reformed apologetics and palliativeness, monistic thinking and monopolistic behavior, have been taken from ancient times in order to achieve this.

The doctrine of neoliberalism has undoubtedly been the ideological foundation of globalization and post-socialist transition, in approximately the same period of time. It is based on paradoxical and contradictory (civilization and rational logic, theory and practice) the principles of minimal (very limited) country and maximum (unlimited and uncontrolled / own-controlled) economic freedom and private property rights. It is clear what kind of relation can be between privileged minority and organized monopoly („effective entrepreneurs“) and most of the poor, the exploited and unorganized individuals, in terms of the so-called „mini“ or „micro country“, whose sole function is to guarantee „fair“ relations at the unlimited free market. But, that was not accomplished!

The experiment of dirigisme, as a form of institutional monism and totalitarianism in the present countries of transition, began in socialism. Firstly in Russia (1917), and after the Second World War in other Eastern European countries, including Yugoslavia. Its characteristics are:

- open repression of government system, domination of bureaucratic statism and control (command economy), with planned naturalization of goods-and-money relations, undeveloped and unorganized market,
- economic inefficiency caused by destimulative system, paternalism, lack of interest of employees, fictitious employment and so on,
- ideological and political subjectivism and dogmatism, which caused dissatisfaction of the people and a number of socio-pathological phenomenon,
- ideological blurring the essence of economic realities, dominated by the monopoly structure,
- virtual collectivism with organized economic and political coercion and equality at a low level of meeting needs,
- vicious circle of the system fundamental elements (state ownership - monopoly of the state sector - a complete planning determination - the path towards communism), and
- a number of negative consequences, such as price disparities, merchandise trade deficit, trade imbalances, speculative market, hidden inflation, low living standards, extensive economic growth, economic stagnation and crisis, reproduction of totalitarianism in all areas of life and work, systemic corruption, clear bureaucracy and so on.

These characteristics indicate that there is enough similarity with transitional („borrowed“) neoliberal dirigisme. Ideal neoliberal globalization and transition in its monistic aspirations have something in common with totalitarianism.

Shift of the socialist dirigisme paradigm was supposed to overcome the monopolistic position of the state in economic regulation, and its dominant share in the structure of ownership, referred to as the cause of the hindering economic and motivational mechanisms of post-socialist economic systems. Did neoliberalism find fertile ground in the former socialist countries or was it imposed from the outside, with the blessing of new „reformers“? Maybe that is irrelevant. More important is, unfortunately, imposed change of one dogma formation (socialist values) to another (primitive values of individualism and outdated liberal capitalism), rather than the transferring civilizational values. Civil, political and party monopolies were used to establish a specific quasi-institutional order, creating new monopolies, combined from nomenclature authority and privileged individuals. Socialist relations of state functions - privileges were extended and turned into a much more dangerous combination: *state functions - privileges - enrichment*. It has produced changes with multiple negative prediction and monopolies, which in almost all areas of society produce devastating consequences, disturbed relations between private and public interests, entrepreneurial and destined behavior.

Totalitarian projects, although based on different grounds, are designed to massively subdue almost all individuals over promises about alleged messianic character of some abstract, iconic

ideas. All these ideas were the basis of particular ideological matrix, which essentially (deterministic) subdues the masses to the elite and deprives them from real choices and propagated ideas („empires“ race, class, freedom, etc..). The ideas of totalitarianism were different (unity, preference, freedom), but in all of them was only one ideal, as their common denominator - *the dominance of the privileged*. And there was always a mask called *massiveness* for hiding cults. Realization was a combination various methods of dictation, terror and coercion.

Every totalitarianism has its mechanisms and structures, which represent paths of power. It is characterized by strong vertical and pyramidal government, led by the leader (dictator), which relies on the party hierarchy. None mega-ideology of totalitarianism *per se* does not contain anything vicious. On the contrary, it is very attractive to the masses. But its essence is in methods of governance. For example, in Russian socialism (communism) it was bolshevism. It is no coincidence that the V. I. Lenin had evaluated his sympathizers not only and not so much by their communist beliefs, but by degree of their bolshevism, and their willingness to abandon morality for achieving „*absolutely correct*“ goal. And „*the goal justifies the means.*“ Maybe that is why some authors call neoliberalism – „*neo-bolshevism?*“

Totalitarianism as a tendency for complete control and exclusion of many from accessing the resources and freedom, is the negation of human liberty, ie, kingdom of unfreedom. It is paradoxical that neoliberalism ostensibly imposes freedom, and doubts democracy, conditionally seen as majority rule. Any idea of massiveness is a potential threat to the alleged individual rights and freedoms! That's why neoliberals prefer the rule of the elite, executive and judicial authority.

Nihilistic fruits of totalitarianism are rhetorical and aggressive tautology, striving for practical obedience of the masses and establishing „eternal“ world order. These „fruits“ grow fast and mature – resulting in various problems. Transition was rhetorically based on ideas, slogans and promises of liberal doctrine. Its real flow, however, shows violence against society and the economy, and uncontrolled, haphazard processes, similar to primitive accumulation of capital (but with different consequences for the actors and methods of „organization“), followed by some devastating economic and social consequences. Forced attempts to shift a formational dogma (socialist values) with another („*outdated liberal capitalism*“ - a term by M. Friedman) in most cases did not lead to the replacement of old values with new civilizational values that exist in developed countries. There was a specific *metamorphosis* and *adaptation* of socialist values and their *recombination* with a range of different new values (positive and negative, civilizational and anti-civilizational).

The neoliberal totalitarianism is possible to replace with:

- finding and accepting the optimal proportions and flexible relations between private (mass, not the privileged!) and state structures, individual and common interests, entrepreneurial and predicted behavior,
- real transition towards democracy, institutional pluralism, market competition and entrepreneurial motivation, and
- creating conditions for the free exchange of property rights.

Real and radical institutional changes are general framework, the common denominator and the precondition of all other changes. Boundless economic „freedom“ for individuals, created by non-market enrichment, are possible only in terms of institutional vacuum and institutional monism. Restrictive and protective power over society can carry out only the state and its regulation. In theory, institutional monism (neoliberalism) denies institutional pluralism. In practice, quasi-institutional monism (quasi-neoliberalism) denies not only institutional pluralism, but also institutional monism. It is based on alternative and quasi-institutions. This is a paradox, which contains neoliberalism and has anti-institutional orientation.

The neoliberal mythology is not randomly selected. On the contrary! Neoliberal alibi-reformers believed (with reason) that market and democratic formula will have messianic affect

to the population, bringing them more faith, freedom, private initiative, entrepreneurship, private property, motivation, efficiency and so on. It is forgotten (or probably intentionally disregarded) that every mythology is generally irrational, while economy is assumed to have rational behavior. Therefore, important question is: Who benefits from unchecked and neoliberal „freeing the economy“ and who limited the economic freedoms? The answer is known. New privileged elite were formed. For economic quasi-liberals they were taboo and something that „market“ had (naturally) determined. For this problem of fundamental impunity, theorizing quasi-neoliberals mainly revolves in abstract, futile, and a vicious circle: *individualism - freedom - market - competition - private property - entrepreneurship - natural state of things*.

When economic decisions are influenced by the powerful administrative-party groups, then individual „players“ and their connections become meta-institutions, dominant over all other institutions. This has deformed the entire economic reality and institutional structure.

Modern realization of the „mini-state“ idea, in practice has led to a new form of totalitarianism and economic reductionism. In the most post-socialist countries in transition, it was a chance for minorities to enrich on monopolistic principles of non-market privilege and monistic institutional reasoning of the quasi-market, which was regulated on the principles of market restrictions. This was a major and intractable paradox of transitional development and cause for reproducing the post-socialist crisis.

Total distrust in state regulation is not logical nor productive (at least in crisis), nor is it appropriate to the growing IT, manufacturing, financial and civilization integration in the 21st century. The way out, volens-nolens, must be sought in a controlled, interactive and complementary functioning of various economic institutions (institutional pluralism). If we ignore (eliminate) institutional pluralism (in any possible combination) and/or put the individual (closely grouped) in control, if we reduce institution (rhetorically and practically) to monism (dirigisme or neoliberalism) or essentially to quasi-monism, then occurs the possibility of abuse, ignorance, oppression and converting to their opposite - a quasi-institutions. Then occurs a blockage of institutional change, the destruction of institutional synergy and institutional competition.

The possibility of institutional control is always directly proportional to development degree of institutional environment and level of the government control (policy). Counter-productive institutional monism is inevitably and quickly transforming to a variety of pathological forms, making a quasi-institutional matrix. It is largely determined by the parties in power, which participate in creating and strengthening distributive coalitions, monopolizing all aspects of life, cartelling the market and in turn influencing the public policy. This enables illegal and non-market appropriation of the state property. Rent-oriented behavior expands. Nominally (formally) exist democratic and other institutions, serving only as a cover for greedy realization of distributive coalition. The new „elite“ have no interest in strengthening institutional power of the state. This creates a vicious quasi-neoliberal circle of anti-institutionalization. It begins with an institutional vacuum and spreads across institutional reduction to institutional fiasco. By expansion of this vicious circle expands the aftermath: economic, sociopathological, social and other.

How was this vicious circle of anti-institutional maintained in a long term? Elimination of institutional competition leads to elimination of the market competition and deformation of economic institutions in the market regulation. This further leads to suffocation of economic freedom, entrepreneurship and natural market functions and principles. Affirmation of non-market behavior, with the blessing of neoliberal economic politics, stimulate rapacious appetites of the privileged nomenclatures, which take control over the institutional ownership. In terms of unprotected and unspecified property rights, manipulative redistribution is enabled in larger scale.

#### **4. NEOLIBERAL INDIVIDUALISM OF THE PRIVILEGED (INDIVIDUALISM-INSTITUTIONALISM RELATION)**

Paradoxically, a few things have been forgotten. *First*, if freedom has no social constraints, greed becomes driving impulse of privileged individuals for enrichment. *Second*, individualism is not mentioned, because it is a *metaphor for massiveness*. An abstract individuality is imposed, which

has proven to be a *metaphor for privileged individuality*. *Third*, such perverted and reduced individualism by some „reformers“ who have shown to be „skilled and capable entrepreneurs“ (so-called „*efficient owners*“) is imposed as a social and civilized norm. *Fourth*, individualism (of the privileged) has become a foundation of the formal institutional monism as theoretical and ideological basis for economic neoliberalism (economic clockotrim, in terms of „*smoke and mirrors*“, without prejudice). It was and still is directly opposite to institutional pluralism, and therefore, to the real institutional change.

These paradoxes have created a wide and strong mechanism of sociopathology hindering the transition. It still represents insuperable obstacle to the strengthening and development of formal social, political and economic institutions in post-socialist countries.

Neoliberalism as a philosophy of methodological individualism and metaphor of „reformers“ has proven to be very suitable for building specific and dogmatic theoretical platform, which served as a motto for fast and non-market acquisition of wealth, power, and economic freedom of the privileged, whom alibi-economists often equated with economic „effective owners“. Since the process of enrichment was not innovative, or productive, or inheritance, or of market character, it was a reflection of the extremely rapacious accumulation. Therefore, it is clear that minorities got what population and/or state lost.

Synergistic effect and efficiency of economic institutions is possible only in conditions of economic freedom and effective individual owners as a mass phenomenon.

In modern economic theory and economic reality, quasi-neoliberals have maximally relativized the contrast and paradox (manifestational, apparent, and imposed) between individual and institutional. New front line between them is generated only by those economic neoliberals who easily carry the prefix alibi and quasi, and whose mission is dominantly interest oriented (more or less). Paradox of this combination (value pair of individual and institutional) is just an illusion and delusion of quasi-neoliberals, because in reality their non-exclusivity is actual generator of that combination. Undoubtedly, individual and collective are inseparable components of the most institutional arrangements and overall institutional order in modern developed economies.

We support *institutionalized individuality*, which should be massive, and not a single phenomenon of privileged and/or socio-pathological origin. I am against all forms of vulgarized individuality. Institutionalized individuality involves the application of the value and law criteria.

One could discuss the economic role of the state, minimum limits of rule of law, degree of institutionalization and the like. But justification of the interest oriented individualism (as a source of enrichment, various forms of monopoly, stratification and other negative phenomena) does not make any sense nor developmental effect. Institutionalized state is developing and protecting private interests. It specifies and protects property rights, economic freedom, contracts and market competition. On the other hand, privileged individualized state (personalized, clearly) develops and protects the interests of privileged individuals. It enables deprivation of property rights, disabling the formation of an efficient ownership structure. It does not guarantee the performance of the contract and economic freedom, hindering the formation of a relatively stable preference system, reducing economic choice, creating monopolies and so on. Institutionalized state does not know the epithets „minimum“ and „maximum“, while the conditionally "individualized" state is minimum by nature. It is a state that formally exists in all of its functions, but it is called „private“, because it is governed by an individual or small number of interest related individuals. In the first one, institutional (including legal) restrictions are consistently applied to all. In the second one, restrictions are applied selectively (with a few exceptions), which is contrary to the nature of institutions. In the first one there is institutional limitation for all. In the second one there is quasi-institutional limitlessness for the few (privileged). In the first one there is a fixing (specification) the rights and obligations of individuals. In the second one there is feigning, even the inevitable collectivity (referendum, voting, democracy).

Opinions of local analysts can be subjective. Thereafter, we are quoting the latest report of the USAID („Vijesti“, 29.07.2009. p. 9.), which emphasizes numerous deformations of economic policy makers in Montenegro: poor control and monitoring of the work of the executive power, weak institutions of the government, limited political competition and broad intertwining of po-

litical and economic elite<sup>5</sup>, limited publicity of the work of the government, poor implementation of the law, limited access to information, widespread use of personal connections, nepotism and favoritism, corruption as an activity for great gain with little risk, huge conflicts of interests, rigidity in politics and governing. When you add to these, anisotropy of information, negative selection of cadre, advantage given to political affiliation, as opposed to competency and many characteristics of hermetic society (it is still a long way to civil society), it is then clear that the economic policy could not have been much better.

## 5. NEOLIBERAL IMPERIALISM AND VIOLENCE

From the beginning, the quasi-neoliberal formulas have resembled the elitist, destructive and greedy concept of power, tending to turn into omnipotence, i.e. a total domination (of the few states, parties in power distribution coalitions and privileged individuals). This is a new dogmatic, anti-civilization, anti-formation and anti-development formula for maintaining and expanding of specific form of hegemonic order of monopolists and men in power („*restricted access to resources*“ – according to: North, Walis, and Weingast 2009). It can be considered not only economic, political and ideological, but also a moral nature of quasi-neoliberalism, in different dimensions: through the prism of sustainable development, inequality, double standards (accumulation of wealth and extravagance of the few, impoverishment and survival of others), a widening gap between rich and poor, criminalization of society and economy, provoking crisis, etc.

It is often forgotten that social and state control of opportunistic behavior is one of the fundamental institutions. When it fails (or delays), the quasi-neoliberal economic motivation is enabled, and that is equal to „*interest greed*.“ That initiates and maintains the flywheel of vicious elitist urge for rapid acquisition and accumulation of wealth, dominance and total power. Since ideology of totalitarianism and domination is the common denominator of all forms of imperialism, we can make a conditional conclusion that the formation of a quasi-neoliberalism has led to a new form of neoliberal imperialism, which inherited colonial (geographically) and the neo-colonial (industrial). Its core consists of pyramid financial and technological-organizational domination, control, addiction and related exploitation. Imperialist motives (interests) and exploitation are two sides of the same process. It is easy to distinguish legally defined economic freedom from freedom of action, with background of immoral, criminal, monopolistic, sociopathological and other quasi-institutionalized behavior.

All barren and irrational rhetorics and favoritism were followed by mythologizing, ideologization, dogmatisation, politisation, vulgarization, monopolization, exploitation and quasi-institutionalization. These are methodological leverages of neoliberal reforms, which essentially contain the social, political and economic clockotrim. In practice, it was severely manifested by applying double standards to the rich minority and the poor majority, illusionist vacillation between myth and reality, between individualism and institutionalism, for redistributing national wealth and achieving massive illegitimate uses.

Using various undemocratic methods, neoliberal deregulation was imposed as non-alternative variant, where private greed, in the best possible manner, motivated insatiable „entrepreneurial“ ambitions and „reform innovations“ of nomenclatures and their lobbyists. Categories and institutions of social capital, such as morality, justice, trust, control, origin of the property, rule of law, democracy, public safety, etc., are ignored.

Neoliberalism did not limit violence in society. On the contrary, it helped its expansion. According to North, Walis, and Weingast (2009) violence include various forms of social pathology: the non-market appropriation of rents, buying votes, corruption, exploiting privileges, coalitions of interests, ignoring the masses, etc.). The above authors have come to the conclusion that it is possible to achieve to political manipulation of the economy in order to build a privileged interest groups and anti-institutional incentives by political and economic competition. This occur-

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<sup>5</sup> Compare with: Acemoglu D. et al. Institutions and the Fundamental Causes, of Long-Run Growth / Handbook of Economic Growth, Ph. Aghion, S. Durland (eds), North-Holand, 2004.

red in the conditions of neoliberal implementation in countries with a policy of „limited access“, where some organizations and groups of elites were pulling the rent due to their privileges and some tacitly „*special rights*“. Those „rights“ are created in an institutional vacuum environments, characterized by personal relations and „strings“. Hence, the order is unstable and volatile, the politics is connected and dominates the economy, a minority (elite) manages the masses, informal and alternative institutions (which are extremely personificated) dominate, and organizational structures are very unstable.

The above authors point out that restriction of access (inequality) is provided by a deficit of the rule of law, insufficient guarantees of rights and freedoms and the lack of competition in the political and economic system. Place in a hierarchy is determined by the position of individuals in relation to the law and the nature of its application. Civil society and democracy are underdeveloped, there is no strong opposition, so there is a partial provision of services by the state. Bureaucracy is poorly controlled and unprofessional. „Elites“ agree on the privileges, which include the right of ownership and access to certain types of activities. Creation and appropriation of rent is the „glue“ that holds the coalition together. This system of organizing society drastically reduces the efficiency of society, economy and politics. It produces deeply intertwined network of corruption, which is most evident in the relation patron - client. Its viability is based on the elimination of strong internal institutional structure.

Realization of the neoliberal project, as a selective and partial quasi-institutional monism, is a reduction of overall economic behavior, from economic activity through competition to motivation and employment. Non-market and violent separation of the population from the property is its de facto separation from economic freedom and the consequent suppression of individualism institutional monism, which favors the creation of monopolies. It fits in theoretical vulgarization of the neoliberal economic model, which is a deliberately premeditated institutional improvisation and imitation, that have caused all these troubles for most post-socialist countries and their economic subjects.

Is it possible that a quasi-neoliberals do not notice the imposed substitution of quasi-market structures, competition to all sorts of ubiquitous monopolies, efficient private sector of the rare nouveau riche, enterprises of rent-oriented and gray-economic behavior, effective social, political and economic institutions of group-individualistic improvisation, ideals of vice, institutional control by party-individual control, objective regulators (rules of the game) subjects („good players“ and their connections), etc.?

Lessons must be drawn from neoliberal failures. Liberalization is not the same as violence against it. Freedom presupposes the absence of restraint, but direct and indirect coercion in neoliberal conditions have been continued in a raw and sophisticated forms.

## 6. CONCLUSION

We came to the conclusion that neoliberalism is merely a *metaphor* that conceptually generates a conglomerated complex and contradictory context, which has its own doctrinal, terminological, institutional, developmental, cognitive, strategic, interest, redistributive, ownership, civilizational, geopolitical and ideological meaning and numerous practical quasi-manifestations. This manuscript is named „Neoliberal metaphor.“ Why? Because

- the term „metaphor“ covers a very wide range of phenomenology of neoliberalism, and consists of many paradoxes, contradictions, scams and myths,
- neoliberalism exists between two levels: rhetorical propaganda for creating an illusion, and practical restraint and control of change and freedom,
- everything is conspiratory and programmed for the purpose of greedy and non-market enrichment and strengthening power, without limits, and
- neoliberalism looks like meta-phor(a) of its creators.

It had been written a lot regarding neoliberalism (for and against it) with various aspects and even that it's dead! No, It is very much alive and continues to live in accordance with the logic of its metaphorical existence (especially in the minds of alibi-neoliberals). After all, it is just a metaphor, just a new name for an old phenomenon, since it identifies the specific regime of modern (neoliberal) capital accumulation and appropriation in terms of institutionally weak state. It is also a monistic metaphor for a „system with limited access to resources“ (North, Walis, and Weingast 2009). Everything else is academic discussion, outwitting, apologetics, dishonest, manipulative, hypocrisy, clockotristic and interest talk about freedom and market.

Sophistic stopgap and sophisticated quasi-neoliberal rhetoric and practice have generated original methods of organized use of privilege: rapacious privatization, intercommune economy, economic clockotristism and protectionism against his own people (my terms). Their mission continues in conditions of extremely reduced market and „entrepreneurship“ based on further robbing of the state and reproducing the non-market acquired wealth.

Institutional innovations imply civilization norms, placing economic behavior in realistic, moral, human and institutionalized frameworks, creation of competitive economic policy, which will honestly (and not rhetorically) favor healthy market competition and will take into consideration a given objective developmental frameworks and numerous market limitations. All of it without mythology, ideology, dogmatism and interest related misuses. Freedom of choice and free market - yes, but at own risk and money, within the limits of moral criteria, state responsibility, rational behavior, institutional standards, protected and well specified property rights!

Coalition of economic „reformers“, the nomenclature of government and their lobbyists accepted the offered neoliberal „development model“ because these alleged „new elites“ has identified with this new individualistic ideology and a new value system, which allowed unlimited expression of their personal interests, and thereby quick enriching and creating the power (social, political, party, economic). Their ideals are (temporarily) achieved.

All of this is achieved by applying neoliberal „methodology“ of double standards, sophist stopgap and futile rhetoric. All neoliberals (politicians, economists and others in the government and close to it) say they are democratic, freedom-loving, tolerant, development-oriented, pluralistic in everything, not just in one – they absolutize alleged „neoliberalism“ but they do not see its alternative (thus negating choice as the essence of democracy and economy). Propaganda of „absolute truth“ is always a prelude to apologetics. Everything has an alternative, it is only a matter of time and the conditions for its realization. But, irony of destiny is often paradoxical, as it is in many ways paradoxical neoliberal mission. If not for any other reason, then because of planetary collapse and appropriation of state property by nomenclature „reformers“ and their lobbyists. Only institutional innovations can neutralize party-lobby's structures and can activate missing control mechanisms, rule of law, economic freedoms and efficient instruments of economic policy.

Doctrine of W.C. is based on assumption that the distribution of social and collective action will be enhanced by reforms, and market reform should create benefits to the whole society and that it represents a long-term public good. It is obvious that the *mass* is replaced by privileged individualism. The question remains: How much is the authority, power, monopoly and property been secured by internal „winners“ and how much by external factors? That's the paradoxical situation, explained by L. Thurow (1997, p. 127), which has become a social and economic reality of global and national neoliberal order. Classic replacement of the thesis: instead of national policies governing the economy, they are dictated by external economic forces. Their various assistance were not granted without numerous the *quid pro quo*.

The tragedy of neoliberalism is its actual separation from its scientific and philosophical heritage, which has become a reactionary tool of the elite (class of non-market enriched individuals, who have appropriated the results of many generations) and the ideology of limitless power of big capital and business, which has destroyed the middle class of society, allowing freedom of exploitation.

All analyzes and conclusions stated in this article indicate the validity of the proposed hypotheses.

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