The Center for Liberal-Democratic Studies as an NGO Promoting Economic Neoliberalism in Serbia

Abstract: This article presents a study of the basic ideas of the Center of Liberal-Democratic Studies (CLDS) Belgrade and its main activities as a non-government research-educational organization. At present, CLDS is the most important NGO in Serbia, which, starting from the liberal point of view, primarily deals with economic, political and legal issues of development. This article is about an NGO that promotes "the culture of capitalism" in the sense of the "new right", that is, the neoliberalism or libertarianism. Its goals are the following: the protection of individual freedoms, free trade market and economic development, the governance of law, responsible and restricted state and liberal democracy. The research results are based on the analysis of approximately 20 studies published by the Center, the articles appearing in its monthly journal *Prism*, and interviews with 8 CLDS members regarding their cooperation and exchange of ideas with the West.

Key words: economic culture, transition, liberal democracy, Serbia

Introduction

Research objective

My research looks into the ideas and main activities of the Belgrade Center for Liberal-Democratic Studies (CLDS) as an institution, i.e. a non-partisan,

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non-governmental and non-profit research-educational organization. More specifically, through the analysis of CLDS members’ views and ideas, as well as understanding of their research work (projects), educational programs and influence on the public opinion, first of all, wish to establish whether this Center is the protagonist of a new "economic culture" in Serbia, as well as the champion of new values in the sphere of politics and law, and if so, to what extent. In other words, I am interested in finding out whether the CLDS is a promoter of the "culture of capitalism" along the lines of what is today referred to as the "new right", i.e. the ideational and/or ideological project of neoliberalism. One could say that the objective and subject of my research are largely determined by the analysis of the proclaimed CLDS goals, namely the protection of individual freedoms, free market economy and economic prosperity, the rule of law, a responsible and limited state and liberal democracy. In the course of its five-year existence, the CLDS has sought to attain these ends through its activities aimed at: political system reforms, economic transition, building a civil society, protection of human and minority rights, cooperation among individuals, local communities, regions and states, as well as research and publication of the liberal thought and education of citizens.

We must note that, along with the G 17 Institute, the CLDS is the most important NGO in Serbia which, from a liberal point of view, addresses primarily economic, and then political and legal issues, and also that – at this point of time – it has a leading role in the NGO sector with the G 17 Institute’s activities on decline (G 17+ has, meanwhile, become a political party). This also means that in terms of the scope, and even quality, of its activities in the 2000-2005 period, the CLDS equals, or even surpasses, certain state institutions, primarily those in the sphere of economic sciences.

A word on the method and sources of data

The relevant data on the subject of my research was obtained through a combination of different, but complementary, methodological procedures: interviews with 8 CLDS members, who spoke about their exchange of ideas and cooperation with the West, i.e. the relation between the Western economic ideas and their acceptance in the local environment; analyses of a number of articles published by the Center in the monthly Prism, along with about twenty books published by CLDS; and insight into secondary literature and some relevant research work done by the authors outside the Center.

The CLDS has a standing core of 16 members (10 economists, 2 legal experts, 2 political scientists, 1 social psychologist and 1 sociologist), although two of the economists are not in Serbia (the SCG ambassador to the USA and a World Bank staff member). This data is displayed on the CLDS
website. The interviews I conducted were with Dr. Boško Mijatović, CLDS director of economic studies (economic policy, transition), Dr. Boris Begović, vice-president (economics of regulation, urban economics), Dr. Gordana Matković, director of social policy studies (social policy, demography), Dr. Aleksandra Jovanović (institutional economy), Dr. Božo Stojanović (labor market, game theory), Dr. Slobodan Samardžić, director of political studies (constitutionalism, EU), Dr. Ilija Vujačić (federalism, political theories) and Dr. Mirjana Vasović (social psychology). This means that out of 14 available and 12 relevant respondents (two had no experience in cooperation with Western colleagues and one gave it up), I interviewed eight, who, in view of the type of the methodology, could be considered a representative "sample".

I analyzed a number of articles printed in 34 editions of the monthly *Prism* published between 2001 and 2004. The *Prism* articles are signed by 56 authors (31 university professors and 25 institute researchers), some of whom are represented with several contributions. Twelve among them are economists, 11 lawyers, 9 philosophers, 8 political scientists, and 6 sociologists. I was mostly concerned with the articles of CLDS members, who are also the most frequent individual contributors (Samardžić - 18, Mijatović - 15, Vujačić - 9, Begović - 8, Vasović - 7, Stojanović - 5, etc). In addition, I addressed some of the books published by the Center, specifically *The Strategy of Reforms* (2003) and *The Four Years of Transition* (2005).

*Prism* is rightly subtitled ‘Monthly Political Analysis’ since its articles most often address political topics, followed by economic and legal ones. The introductory column entitled ‘Review of the Month’, which is a kind of a political barometer, offers brief critical comments on Serbian and world-wide daily political events, written in most cases by B. Mijatović, and occasionally also by other CLDS members like: I. Vujačić, M. Vasović, S. Samardžić, B. Begović and Z. Vacić. Political topics are diverse and may be divided into internal and foreign policy parts. The former focus on the relations between Serbia and Montenegro, Kosovo and Metohija, Vojvodina, elections, the party scene, constitutional reforms, local government and the like. The latter touch upon Serbia and SCG relations to the EU, the USA, NATO, Partnership for Peace, globalization, etc. Economic topics are generally related to economic change (reforms) in transition and resistance to this change. Both the economic and political issues of Serbia are critically reviewed from the point of view of the theory and practice of economic and political neoliberalism, as well as, substantially less often, other "isms" – e.g. neconservatism, with predominant insistence on the implementation of the concept of liberal-democratic capitalism. More precisely, admixtures of neconservatism as variants of the "new right" are obvious in the articles of several *Prism* contributors, outside the official list of the CLDS members.
In addition to the publication of books and *Prism* other forms of CLDS communication with professional and the more general public include conferences and open schools. Conference topics address various reforms in: the taxation system, Serbian constitution, pension system, legislation on city lots, planning and construction, the judiciary, local self-government, electronic media laws, national minorities’ laws and policies, labor laws, etc. The listed topics reveal the fairly wide interests and range of problems within the CLDS focus.


The most indicative for my research of the CLDS as an NGO promoting neoliberalism are the choice of Boaz’s *Libertarianism*, its title and contents. That is because they indicate the basic theoretical and ideological position of the Center’s main actors – a point I feel bound to make in the very introduction of this paper. The polemics between domestic libertarians and egalitarian liberals is briefly addressed in my article “‘We’ and ‘Others’ according to Statements of Economic Experts in Serbia” (Vujović 2003).

The basic theoretical framework of CLDS authors:
Libertarianism or neoliberal right

"'Left' and 'right' are classifications that are both cognitive and symbolic: they promise understanding by interpreting and simplifying the complexities of political life, and they stimulate emotions, awaken collective memories and induce loyalties and enmities."

Steven Lukes

I shall now present a few key concepts commonly used by the CLDS members and consequently also in my following analysis.

This paper was being finalized when eleven CLDS members published the book titled *The Four Years of Transition in Serbia*, a collection of papers on the course and achievements of the Serbian economic, legal and political reforms after the "liberal revolution" in 2000. The period of the 1990s was marked by blocked transition, while liberal reforms started in 2000. The authors of the book believe that the relatively liberal orientation of Dinić’s government was not part of a preconceived plan which actually went missing, but the outcome of the prime minister’s intuitive understanding of what businesses needed and of the technocratic approach of a number of specific ministries. Nevertheless, Dinić’s government started with a package of
economic reforms developed by G17 in the summer of 2000 as an economic platform of the DOS coalition. The conception and implementation of economic reforms immediately posed a dilemma of whether to adopt a liberal or social-democratic orientation. This dilemma remains unsolved to this date as far as the economic policies of Điđić and Koštunica governments are concerned. The authors of the book do not consider this dichotomy essential since the difference between the two orientations in present-day Europe is smaller than ever before: modern socialist democracy, pursuing the "third way" (Giddens’ "renewal" of social democracy; the policies of Blair and Schroeder) has basically embraced the market concept of economic activity coordination and pursues reforms which, until recently, characterized only the protagonists of liberal and conservative orientations. European leftist parties indeed increasingly accept capitalist organization, just as leftist intellectuals embrace market principles and the logic of profits, and even question the principle of redistribution and social transfer. What, then, is the difference between "left" and "right"? Our libertarians think that the only serious difference has to do with social policy: should the existing welfare state be dismantled to a smaller (social democrats) or higher (liberals) degree. Important in this context is their judgment that in Serbia "social democrats of the old school keep fighting economic reforms, attacking the local transition as neoliberal, i.e. cruel to the working people". They think that both reform governments – the second more than the first (due to the Labor Law) – had a social democratic orientation, i.e. combined the liberal economic reforms with a social democratic social policy which, they say, "certainly is not the worst combination one could imagine".

The denial or minimization of this distinction between the left and right notwithstanding, this dichotomy still has theoretical currency, but with a changed meaning. Thus Lukes believes that the left, sunk into "identity crisis" will survive as a "matter of values". He suggests "that the left is defined by its commitment to what we may call the principle of rectification, and the right by opposition to it" (Lukes 2006, 15). More specifically, the left still sticks to its assumption concerning the existence of unjustified inequalities in the world, perceived as sacred or inviolable or natural or inevitable by the right, proposing that these inequalities should be diminished or eliminated.

As I already noted, the CLDS economists and political scientists recognized their ideational framework in libertarianism. According to D. Boaz, whose book they published in Serbian translation, libertarianism is a "radical philosophy" or "fundamental philosophy of the modern world" whose ideas include: equal freedom, entrepreneurship, rule of law, tolerance, pluralism and constitutionally limited government" (Boaz 2003, viii). According to Boaz, in order to advance in the process of economic globalization, the countries of the world must adopt a decentralized,
deregulated market-oriented model. Moreover, libertarianism gives each of
the countries a promise of peace, economic growth and social harmony. In
his preface to Boaz’s book, Ilija Vujačić clearly shows that the basic sources
of the author’s political thought are multiple and comprise: the tradition
of natural law and Locke’s theory of possession and property, the Austrian
economy with a paraxeological analysis of economic exchange processes,
Hayek’s theory of spontaneous order, Nozick’s idea of a minimal state, the
American tradition of individualist anarchism, as well as an insight into the
theory of public choice (Vujačić 2003, xix). One could hardly call Boaz an
original theoretician, just as our own libertarians have no claim to originality.
One would rather say that they are good interpreters and faithful followers. At
any rate, they have daringly introduced into the domestic "economic" and
political culture", or "culture of capitalism", the values of the new right –
center-right, the materialization of which in the transition period admittedly
represents a more rational and efficient solution compared with other
development models. By taking up libertarianism, the CLDS experts, among
other things, set out to create new cultural patterns (value model) in our social
thought, our economic and political life.

It is the case of a new, proactive and utopian "neoliberal right" whose
increasingly hegemonic ideology, according to Lukes, gripped the world in
the latter part of the 20th century with the ascendency of Reagan and Thatcher
and changed the parameters within which all governments, including those
who claim to be of the center-left, operate (Lukes 2005, 21). The "neoliberal
right" has the character of a modern social movement which supports
innovative reorganization of society through extensive marketization,
commercialization of public services, deregulation and privatization, while
retaining some traditional attachments of the right, in the first place to
patriotism, elitism and a strong commitment to law and order. This highly
dynamic version of the right, says Lukes, succeeded to a remarkable extent in
combining various contradictory agendas with an over-reaching neoliberal
framework of ideas. It derives its intellectual inspiration from the Austrian
economics and the thoughts of libertarian philosophers and sociologists, who
claim that all leftist projects to rectify inequalities are bound to be doomed, or
counterproductive or destructive of other values. Thus, for example,
commenting on the "leftist projects to rectify inequalities" in his paper on
"The Principles of New Social Policy" B. Mijatović’s argument is a well
known neoliberal (Hayek’s) position: "The thing often called social justice
does not exist – it is an empty phrase that has never been backed by genuine
contents. And neither do I believe in the positive economic and social rights
of individuals, but only in negatively defined freedoms, i.e. freedom from
oppression, so that no one would dare interfere with an individual’s exercise
of freedom" (Mijatović 2003, 62). Thus, according to Mijatović, "the critics of
the so-called neoliberalism from the extreme left do not have their own economic program, and let alone an economic theory they could set against those that prevail. They are engaged in sheer political struggle and fail to recognize that their demands, if put into operation, would bring still greater poverty to the world" (Mijatović 2003, Politika).

The neoliberals categorically oppose egalitarianism and egalitarian political measures. In doing that they invoke Friedman’s maxim that one cannot be a liberal and an egalitarian at the same time. Incidentally, the domestic egalitarian liberals consider the two compatible. According to Hayek, who is another favorite of our neoliberals, the existence of inequality should not be considered regrettable, but rather extremely desirable, and indeed simply indispensable. Why? Because egalitarianism with its redistribution interferes with the market-economy signal mechanisms and thus prevents the selection of the best, i.e., the elite. The system of selection is possible only under conditions of individuality, i.e. inequality.

The main purpose of neoliberalism supported by the CLDS members is to "remove state borders" since it is believed that a non-regulated free market capitalism will bring about efficiency, economic growth and widespread wealth. Therefore the favoring of the private as opposed to state entrepreneurship and nationalization: in brief "private is good, public is bad" (Heywood 2004, 99). These ideas are linked with extreme individualism voiced by Margaret Thatcher in her famous statement: "There is no such thing as society. There are only individuals," which is, in effect, a sharper paraphrase of Friedman’s formulation: "As liberals, we take freedom of the individual, or perhaps the family, as our ultimate goal in judging social arrangements." Namely, it is believed that, as Haywood puts it, a "governess" state supports the culture of dependence and undermines the freedom understood as the freedom of choice at the market. Thus, self-help, personal responsibility and entrepreneurship are upheld (Haywood 2004, 100). The concept of the "governess state" implies that social programs are unjustified and humiliating for an individual.

What it is that neoliberalism or libertarianism in our circumstances should actually mean is, in "program" terms, explained by I. Vujčić: "Liberal reform in the economy implies the resolute suppression of the state from the market, reducing its role to that of a supervisor and guarantor of fair play, i.e. respect of the rules, inviolability of private ownership, elimination of external and internal barriers to trade and capital flows, currency stability, reduction and simplification of taxation as well as liberalization of prices of commodities, capital (free formation of interest rates) and labor, with a radical cut-down of state spending and administration. In political terms, liberal reform comprises the establishment of constitutionality and the rule of law, limited government, fewer discretionary powers of the bureaucracy, ensured independence of the
judiciary, respect for procedure, and consolidation of a fair political competition. In parallel with such radical economic and political reforms, economic and political performances become substantially improved, resulting in the inflow of capital, investments, investment incentives, economic recovery, productive utilization of capital and labor, increased employment, accelerated growth – in a word, faster establishment of a free market economy and constitutional democracy (Vujačić 2003, 30-31).

Similar to Vujačić’s "mini program", Vojislav Stanovčić writes about the need to institutionalize the ongoing Serbian political processes, especially the division of power, as well as of the necessary rule of law, whereby everything should be free "unless legally prohibited for valid reasons", thus implying deregulation. According to Stanovčić, "The ‘transition’ from collectivist and political collectivist principles of orientation towards individual principles and freedom of individual entrepreneurship implies the appreciation of private property. Waverings are noted in different concepts of the policy of privatization, denationalization, following or avoiding of the market economy logic, etc. The state reluctantly and grudgingly gives up the possibilities and ‘rights’ based on formally valid ‘laws’ to also control the society and state by means of property, in addition to exercising power" (Stanovčić 2002, 30).

The question is, however, whether Serbia, which is undergoing its post-socialist transformation, has a dominant and proactive "culture of capitalism" of any kind, in the sense of an effective "value syndrome", and whether it has to do with neoliberalism as its "ideological project"? I am using various signs and quotation marks because the concept of "economic culture" is fairly fluid, which is why I prefer that of values or value orientations. Up-to-date empirical research shows that the Serbian population does not display a single dominant value orientation, but rather a mixture of half-baked and incomplete value systems, with confrontation of the old and the new, the traditional and the modern, socialist and capitalist, neoliberal and neoconservative, East and West, and, still, left and right. The value-political confusion in the minds of Serbian citizens may be partly explained by the fact that they are insufficiently informed, and, most importantly, torn between an arduous transition and the wish to have a different and better life. Still greater a problem is the fact that this obvious mixture also characterizes the political elite. This "heterogeneity" in terms of ideological and political tensions is in a specific way confirmed by the composition of the current Serbian government whose decisions are, in addition to Koštunica and Labus, also influenced by Milošević (via the Socialist Party), and, moreover, the weight of the radicals is not negligible. "The liberal idea has weak roots in Serbia. Its proponents comprise a minor part of intelligentsia including a fair number of economists, and private entrepreneurs who, by definition, shrink from the heavy hand of the state. There are also people who are not aware that they are liberals, but
who have had enough bitter experience of leftist turns over the past decades. The conscious or unconscious champions of the social democratic idea are by far more numerous. The army of social democrats includes all those who during their schooling absorbed the leftist ideas and failed to shed them later, as well as those who shy away from risks and want security in these tumultuous times. Thus, what works in favor of social democracy are numbers, while in the case of liberalism it is the idea of freedom, economic argumentation and the International Monetary Fund" (Mijatović 2003, 60 – Strategy of Reforms). However, Vladimir Cvetković, a philosopher and sociologist, one of more frequent contributors to the Prism (5 articles) thinks that "the currently doubtless importance and influence of liberalism in Serbia, true more in the economy then in the political and value systems (which accounts for its affectation), is an insufficient ‘guideline’ for the Serbian future, especially in view of the paternalistic connotation of the current rendition of the ideology of freedom and its world-wide promoter embodied in the only global super power" (Cvetković 2002, 38).

Libertarians and egalitarian liberals in the economy, as well as experts of other profiles, agree that new institutions are crucial for the implementation of reform strategies, and economic and political development. Stimulating in relation to our topic is the claim that institutional restructuring in the transition process is more of a cultural than technical issue, and still more Adiges’ view that the "development level of a society is not a matter of technology, or the market, or money, but of culture." Institutions influence the motives of actors in economic and political life. However, the actors are not guided by rational motives and interests alone. Their actions are also structured by the cultural pattern ("old ethos") whereby the rules of the game are changed. The cultural pattern defines the social concept wherein the rational interests are defined (Vukotić, Pejović, 2002, 17). It is suggested that the "old ethos" in the transition countries clashes with the capitalist culture. Therefore the question is which actors may adjust the prevailing "ethos", in the sense of informal rules and systems of values, with the "culture of capitalism”? Is this actor the state, which may do so in administrative terms, by an order, constructivistically? The answer is negative. The next question is how to create a favorable ambience, encouraging voluntary, rather than imposed development of the culture of capitalism and its adjustment with the old ethos, i.e. informal rules? Judging by the experience of transition countries, this consensus primarily depends on three factors: a) new private firms; b) freedom of contracting, and c) methods of privatization of existing companies (Vukotić and Pejović 2002, 17). The explanation is that new private firms channel the citizens towards the values of individual freedom, self-responsibility and self-respect. In other words, new private firms are the hotbeds of the culture of capitalism where it did not exist, sufficiently or at all.
They develop the feeling of ownership, the feeling that an individual, rather than the community, is the bearer of the rights and obligations, and that the individual, and not the community is the proponent of economic life; they develop self-initiative, self-decision making and risk acceptance. Here again we see the view that the pillars of neoliberalism are the market and the individual. Thus, it is a culture of capitalism based on individualism. "This role of new firms in creating the culture of capitalism is, in the opinion of Vukotić and Pejovich – who share the basic views of the CLDS economists – much more important than their momentary (significant) role in employment and production." However, according to Ljubomir Madžar, one of our oldest and most prominent economists who influenced the professional formation of several CLDS economists, the problem is that "neither in our government, nor in our public, the conviction has yet prevailed that one should take the side with the businessmen, the entrepreneurs, those who save and dispose of some property" (Madžar 2005, 12).

Thus, in order for new private firms to develop and multiply as promoters of the culture of capitalism it is necessary to have: a) credible and stable ownership rights; b) credible and stable fiscal policy, and c) credible and stable freedom of entry, including freedom of entry for foreign firms (Vukotić and Pejovich 2002, 18).

The overall conclusion of the protagonists of neoliberalism in the economy is that institutional development should rely more on the rule of law, evolutive development of new institutions and respect of cultural heritage and less on the support of the concept of the welfare state and constructivism. According to the Western model, the development of market institutions may only be a gradualist process of integration comprising economic development, policies and civil society institutions.

The most important representatives of the civil strategy of democratic change are citizens’ associations (NGOs). The role played by political parties in political strategies is comparable to that of NGOs in the civil strategy. "In contrast to the political strategy which stresses the strengthening of institutions, the main field of action and implementation of a civil strategy lies in the system of values. The change of the value system dominated by the models of traditionalists, collectivist and authoritarian values is one of the most difficult and time-wise longest jobs in the democratic reconstruction of our society. The adoption of the body of liberal-democratic social and individual values will require efforts that will be measured in terms of generations," writes a pessimistically disposed Vukašin Pavlović for Prism (Pavlović 2002, 29).

The following section deals precisely with the CLDS as an NGO and thus a component part of the civil society in Serbia.
CLDS in the context of civil society in Serbia

Civil society is understood to denote: first, a type of social action; second, an area or sphere linked with the economy, state and private property, but separate from them; and, third, the center of a plan or project which still retains some utopian characteristics (Lazić 2005, 100). Voluntary organization of individuals is the main form of constitution of the civil society sphere, while the basic mechanism for the establishment of relations within it is consensus; moreover a consensus based on the idea of basic equality and solidarity of civil society members.

In this section of my paper I shall point to the social characteristics of the NGO sector in Serbia – characteristics that may, to a degree, apply to the subject of my analysis: the CLDS as an NGO. In doing that I shall draw on the results of a survey of 102 NGOs in Serbia carried out by Mladen Lazić in December 2003 and January 2004.

After the defeat of the Milošević regime in 2000, a favorable climate was created for the emergence of new NGOs in Serbia. That is when CLDS was formed. In the January-Jun 2001 period alone, another 900 NGOs were registered. There were less fears of repression, expectations of decreased state regulation and increased self-regulation of the social life, "suppression of autarchic tendencies in the institutional sphere, as well as the consciousness of the population (fear of foreigners, the different, the new, etc.); two-way ‘personnel circulation’ between the NGO sector and the government apparatus (…). Another factor was financing, primarily from Western sources, which assumed wider proportions in 1996, to substantially increase in 1999, and retain this large scope throughout the 2000-2002 period" (Lazić 2005, 75). Accelerated growth of the civil sector in Serbia is thus directly linked with the process of democratization of society, as well as with the substantial inflow of foreign financial assets. Financial dependence on the West brought about hyper-organization, orientation to profit-making and professionalization of the NGO activists. This development did not have a positive effect on the civil sector, since it limited the sphere of its autonomy, solidarity, voluntariness, equality and pluralism. "Autonomy is restricted by financial dependence, solidarity is endangered by profit-making orientation, voluntariness is also subordinated to the pursuit of income, equality is limited by organizational professionalism (which was eo ipso hierarchical, especially since it serves the purpose of income distribution), while pluralism is suppressed by a proper market competition for the donors’ funds among the NGOs" (Lazić 2005, 91). But, non-violence as the objective of the civil sector was not compromised since its actors have from the very beginning advocated peaceful solutions.

One of the main findings of Lazić’s analysis of the civil sector is that its actors are "firmly entrenched in the society’s middle classes". The overwhelming
majority belonging to the middle class applies to both the intellectuals (professionals with university degrees), and participants in mass social movements in Serbia during the 1990s. Therefore, owing to the possibility of the accumulation of economic and social capital, as well as social prestige, the NGO sector has, for the past ten years or so, represented a desirable field for both intra- and inter-generational reproduction of social strata.

To stress the point, I repeat that the values the actors of the civil sector are guided by, including individualism and other liberal values, are also important for the creation of the "culture of capitalism". However, liberal values in Serbia during the 1990s were abruptly suppressed by national mobilization and collectivism, so that the change of Milošević’s regime accompanied by the unblocking of the transition came too late to bring about mass and speedy value re-orientation. Namely, pauperization and other forms of loserism in Serbia had spread to include the majority of members of all social strata even before the real transition started in earnest. Thus, the liberal orientation in Serbia could not rely on the mere opposition to socialism as an order of misfortune and evil, since socialism is, in Serbia, still remembered as a better past (higher standard, greater social security). That accounts for the creation of the already mentioned "confused value mixture". Lazić’s research shows that NGO members are, on average, inclined to adopt views characteristic of liberal economic and political value orientations more than the rest of the population. They, on the average, also show greater inclination to tolerance, as opposed to nationalism and traditionalism. But the ranks of NGO members also reveal a conflict and indecisiveness between the previous dominant collectivist value system and new liberal values, as well as insights into the currently unfortunate economic circumstances in the country. Lazić, however, finds that "further institutionalization of the market economy and political pluralism in Serbia will doubtlessly lead to a situation where civil value orientations will become indisputably dominant in society …" (Lazić 2005, 91).

One could say that a number of principal findings of Lazić’s survey, indirectly and to varying degrees, also apply to the CLDS. More precisely, based on the biographical data of this NGO’s members we may conclude that they belong to the middle social stratum. They are actually doctors of sciences, university professors, institute researchers, people with notable careers.

Of the sixteen CLDS members five are women, with one more woman employed as secretary. Their average age is about 50. They have realized numerous projects financed primarily by foreign foundations and organizations: Fund for an Open Society in Serbia, Fund for an Open Society in Bulgaria, UNICEF, USAID, Center for International Private Enterprise, The World Bank, Friedrich Ebert Stiftung, Konrad Adenauer Foundation, the Government of the Netherlands through the World Bank Trust Fund, Democratic Commission of
the US Embassy in Belgrade, etc. The CLDS has moved three times and has been able to pay for its premises in the proper city center.

We also observe the two-way "personnel circulation" between the CLDS and state administration on republic and federal levels: entry of individual NGO members into the apparatus of the new government and the links between state administration officials and NGOs. CLDS members are advisors in federal and republic governments, ambassadors and one was a former minister in the Đinđić government. "Personnel circulation" also includes participation of government representatives (including democratic political parties) and NGO activists in the joint implementation of certain projects (e.g. "The Poverty Reduction Strategy in Serbia, financed by the World Bank") or some conferences (e.g. the one devoted to the strategy of reforms in Serbia in 2001, with Koštunica among the participants), etc. This fact reveals the shared or similar political, economic or legal values and objectives of the two sides. In this context it is interesting to note an observation by Steve Pejovich who says that: "The ‘transition industry’ observes no geographical borders. It is an ‘umbrella’ for social engineers, bureaucracy, reformed and unreformed communists, university professors from West and East, World Bank and IMF experts" (Pejovich 2001, 16).

However, the most important thing is that the CLDS is an active and professionally able NGO whose highly professionalized members are diligently and successfully working to channel and speed up transition in Serbia and address numerous problems on this difficult road, and that they are successful in promoting neoliberalism. In doing that, this NGO has relied on its proper core, as well as on the extended circle of its activists and associates, as required by the specific topics and objectives of its numerous and important projects.

The CLDS organization is not strictly hierarchical with its two presidents and one vice-president and four directors of studies (economic, political, legal and social policy studies). The rest are listed as professors or institute researchers, while its administrative staff consists of a single secretary.

Experience of CLDS members in scientific exchange with the West

In order to find out about the formal and informal ties of the CLDS members with the Western academic, research and financial institutions and foundations, my collocutors were asked a certain number of questions. While answering, they accounted for the strongest and most memorable experiences while learning from or exchanging their economic knowledge and research results with their Western colleagues. In the text that follows, the most illustrative such accounts will be presented according to the questions asked.
Question 1: How did your scientific exchange with the West start and develop?

Answers:

My eight collocutors from the CLDS had either long-lasting or brief experience in cooperation with Western experts, generally during the past fifteen years and most often of a recurrent nature. Our experts’ hosts were in most cases various universities and foundations from the USA, Britain and Germany, e.g. the LSE, OECD, IMF, WB, UNDP, UNHCR, UNICEF, Florida State University, Texas A&M University, Templeton Foundation, Liberty Foundation (USA), Institute for Humane Studies George Mason University, Colchester, University of Essex, Brandeis University, Boston, New School, New York, Institute for Social Research, University of Michigan, University of Amherst, University of Washington, Central European University, Institute of Federalism, Fribourg (Switzerland), University of Chemnitz (Germany), etc. Cooperation with Western institutions and experts was diverse and ranged from the writing of doctoral theses, study visits and elaboration of joint projects to participation in international conferences, consultancy, etc.

All collocutors expressed their more or less pronounced satisfaction with the scientific cooperation they had had with the West, both because of their newly acquired knowledge and personal contacts (acquaintances and friends) and the enriched life experience in general.

One of the interviewed economists said: "Bearing in mind that I graduated from the Faculty of Economics in Belgrade, thus one of a very low level of studies and communist orientation, I had to learn the basic things Western economists are taught during undergraduate studies." This particular economist had previously published an objective and highly informative article on the development of the Serbian economic thought after World War II – one of the precious few addressing that particular subject. In it, he concluded that this thought "started its course with the radical and violent rejection of the civil economic orientation and the enthroning of the classical Marxist-Stalinist dogma, to go through four decades of innovation and gradual abandoning of orthodoxy and, having made a full circle, return to point of departure – the standard, civic thought (…). A lot of credit for the abandoning of the wrong course, as well as for the increased level of the Serbian economic thought in the past decades, should be given to Ljubomir Madžar and his work as a professor, theoretician and empirical analyst (…) The road ahead is, I believe, certain: an increasingly extensive domination of the modern, civic economic thought in our midst, which will bring us closer to the modern world in both East and West. Economic science shall follow the path leading
from a predominantly theoretical, normative reasoning towards the empirical, analytical and real. We still have to tackle numerous outstanding issues involved in the transition of a bastard system into a classical market system, based on private ownership and the rule of law, where economic profession and science could say and help quite a lot" (Mijatović 1997, 27).

Question 2: What did you expect to gain from that scientific exchange and cooperation?

Answers:

Our experts’ expectations revolved around new knowledge, professional advancement, meetings with scientific authorities in their respective fields, cooperation on joint projects related to speedier reforms in Serbia, as well as the development of new faculty disciplines (e.g. a course on the "Economic Analysis of Law"), or writing of new articles and books. In brief, expectations were large and for the most part justified and satisfied. An illustrative, interesting answer reads: "I knew that I fulfill one precondition, namely, that I support the libertarian values of the free market and individual freedoms, so that cooperation kept expanding and my expectations grew, and they have so far been satisfied." The most complete answer in this respect should also be quoted: "I thought that scientific cooperation and exchange with foreign counterparts were conditio sine qua non of my scientific career. That is because already in the initial contacts I became convinced that, at least in the spheres I am concerned with, we do not lag behind the West very much in terms of our training, and especially methodological scrupulousness, and saw that these contacts would enable us primarily to avoid lagging behind in information and methodological innovativeness. A problem appeared with respect to publication of articles in foreign journals, mainly due to the language barrier (cost of translation), inertia and a kind of opportunism – the awareness that the criteria for the publishing of papers abroad are much stricter, and that having one’s articles printed in local journals would suffice for official advancement 'here'. Quite simply, there were not enough (external) incentives for individual competition outside joint projects."

Question 3: Were there any pleasant or unpleasant surprises in this exchange and cooperation, and if so specify?

Answers:

The briefest answer to this question is that pleasant surprises outnumbered the unpleasant. One of the former had to do with the "offer of one-semestral research visit including the provision of funds for a short stay and research work in the U.S.A.". Another surprise had to do with the awareness that in
terms of cooperation the most congenial were precisely the most prominent professors who knew a lot about our economic system and have at one time engaged in its analysis. In a similar vein several collocutors were pleasantly surprised by how helpful, ready and open to scientific cooperation their hosts were. The third kind of pleasant surprises has to do with the fact that the forms and contents of cooperation in most cases were not imposed on the part of western partners, as well as with the readiness of foreign researchers to acknowledge the local specifics and knowledge of local experts. An example of the fourth type is work on the project "Corruption in Serbia" which provided the basis for the book of the same name, subsequently given the prestigious US Sir Anthony Fisher award for 2002. Moreover, our collocutor pointed out that his scientific work on the project "was not politicized and instrumentalized for political purposes".

Summarizing the accounts of pleasant surprises we could say that they were related to "every case of scientific cooperation, either on a joint project, or in occasional attendance at scientific conferences".

On the other hand, unpleasant surprises most often had to do with foreign experts and consultants operating outside the academic circles. According to some of our collocutors, they are strictly bureaucratized, and are more concerned with formalities, than with the substance of the job they came to accomplish; they know less about Serbian circumstances than their academic colleagues, display a dose of vanity, etc. Difference has also been noted in communication with independent (autonomous) experts in the proper sense of the word, which is better in terms of quality, and communication with economic experts on the staff of certain international institutions, who act in the interest of their respective institutions, which is why references to "scientific cooperation" with them would not be appropriate. In that relation, another respondent classified the Western experts into: a) members of the academic world; b) top-notch consultants – A series, and c) self-proclaimed consultants – B series.

Two CLDS members had a particularly unpleasant experience during the 1990s when they were offered projects and given invitations that were politicized, i.e. with non-scientific orientation, which they had to turn down. Moreover, one of them had been refused his scientific paper on the topic previously defined by the organizer of a specific conference (an American university), for political reasons. It also happened that representatives, including our collocutor, were exposed to "a kind of a 'silent' boycott" at an international gathering, followed by an uncalled for verbal political disqualification, played up by their colleagues from formerly communist countries and unopposed by those from the West. The height of unpleasant surprises was experienced by a CLDS member when cooperation between the Institute he worked for and a consortium of European institutes within the Tempus program was discontinued.
due to UN sanctions against our country. "The surprise was all the greater, because the UN SC resolution allowed for an exemption in the case of scientific and cultural cooperation. The institutions we cooperated with (from Germany, France, England and Croatia) and had contracts with, including over a year of cooperation on the project, were not only unwilling to make this permissible precedent, but they did not even consult us about the possible solution to the newly emerged situation. All of us experienced that as sheer discrimination and excommunication." In any case our respondents share the view on the necessity of autonomy of their scientific work.

**Question 4: Have you developed your own strategy of action in scientific exchange with colleagues from the West?**

**Answers:**

The answers to this question differed. All collocutors agreed that the existence of a specific strategy should be a component part of their own work and vocation, and that scientific exchange and cooperation should develop spontaneously. One point of view has it that the key principle that should be consistently observed is the one of distinguishing between analysts and bureaucrats, ideologists and propagandists, as possible collaborators. Namely, one should have cooperation only with the first group, no matter whether it is the case of domestic or foreign economists. Cooperation in different projects implies differences in the approach and organization, but all these are differences which exist independently of whether one’s counterparts are foreigners or not. According to another opinion, in one’s own strategy of action more important than institutional links are personal contacts "because they represent the basis for credibility the people from the West have trust in."

Also worthy of our attention is another, somewhat diplomatic, answer stating that: "If we only accept projects wherein we could be equal participants and fulfill our research interests, then we do not really need a strategy at all. However, in the case of cooperation involving the government–donors relation, the strategy should consist in the formulation of priorities and clear objectives in advance, to place the international partners in a situation where they have to fit into our plans, instead of vice versa."

I have also heard an answer which, I believe, could be generally acceptable. Namely, it is necessary to have a well-thought out approach to international exchange of scientific ideas, wherein we should look for the quality of established contacts and links, more than their numbers. In that sense, priority should be given to work on multi-annual scientific projects including organization of scientific conferences the results of which are subsequently published, thus conferences which are nothing like "scientific tourism".
Question 5: In which spheres of economic research can experts from the East and West learn the most from each other?

Answers:

CLDS members agree that there are certain spheres of economic research where experts from the East and West could learn from one another but that, objectively, we have more to learn from them and should do so. In that sense it is believed that experts from the East could learn a lot from their Western colleagues about the economy of ownership rights, the theory of public choice, and the so-called neoinstitutionalists. On the other hand, Western experts could learn a great deal from their Eastern colleagues about the problems of transition from a command to a market economy, and especially that typecast economic measures do not give same results in different countries. A similar, but more general, answer says that Eastern economists could learn from their Western counterparts, primarily with respect to theory, analytical methods, methodology of empirical research, etc., while the Westerners could, in exchange, learn that "life is somewhat richer than perfect neoclassical models". A view was also offered that Western experts had so far advanced in the sphere of theory that we could only hope to follow them as best we can. They, on their part, can profit from us by testing their theoretical assumptions in our environment and in doing that draw on the assistance of domestic experts. In other words, as one of our collocutors said, where the academic economy of the West is concerned we are the "importers". But, there is also an optimistic view that things are moving in the right direction, and that we have an increasing number of translations of standard textbooks, which have become the background material for our students' exams. These are, e.g.: Anthony Giddens's Sociology (4th edition), published by the Faculty of Economics in Belgrade, 2005; Burda and Wyplosz's Macroeconomy (3rd edition), published by the CLDS, Belgrade, 2004; N. Gregory Mankiw's Principles of Economics (3rd edition), published by the Faculty of Economics, Belgrade, 2005, etc. In this context our respondents also mentioned the "Annals" of the Faculty of Economics which portray Nobel Prize winners in economics and present their scientific contributions. Still there are a lot of obstacles to be overcome, because the developed scientific communities in the West are, among other things, undergoing sub-specialization, while the economists here still have to cover several different areas. In brief, we are forced to start from square one in quite a few scientific subfields.

The conclusion, that we are the ones who have to pick up speed in learning from others, keeps repeating. The thing that may interest foreign economists is the possibility to acquire an insight into the concrete implementation of certain abstract principles, i.e. to see where the problems and obstacles appear and how to best overcome them. Our collocutors also believe that we offer an
interesting and stimulating test range for the study of what happens with
transformation, if it departs from certain basic principles, especially in the
period until 2000, but also later. It is only understandable that these topics
could best be addressed by domestic experts.

Finally, the sphere of social policy and services still offers a lot of
possibilities for the exchange of experience, since all countries, including the
most developed ones, reform their healthcare, pension systems, education and
social protection. Experts from the East could analyze West-European
experience from the point of view of the objectives they seek to attain, the
advantages noted in the functioning of certain systems, standards and norms
that are well defined, and the like. The Experts from the West, on their part,
could monitor the "experiments" and innovative approaches to reforms in
East-European countries and adopt those that could be applied in their
respective countries.

Instead of a conclusion

I started from the assumption, proven here I hope, that libertarianism
provides the basic framework of ideas for the CLDS experts. I have confirmed
this assumption with the analysis of contents of their views, their statements in
the interviews I made with them, and the insight into their self-declaration in
public debates with egalitarian liberals where the participants, on the libertarian
side, were B. Begović, B. Mijatović and I. Vujatović. This assumption was
prompted by the translation into the Serbian language of Boaz’s Libertarianism
(Boaz 2003). Although less prominently in that context, other CLDS members,
whether explicitly or implicitly, also embrace libertarianism as their political
and economic philosophy. Neoliberalism is, in foreign and domestic literature, a
better known term for the same, or very similar, view: it is, in fact, another
name for libertarianism; that is why I used the two terms as synonyms
throughout this paper. Bearing in mind that neoliberalism is a complex view
with a lot of theoretical-political modulations, it is possible that our libertarians,
too, differ in certain nuances. I, however, sought to identify their common
theoretical (ideological) core, believing that it contains a specific value system
characteristic of the economic and political culture of capitalism.

I am certainly neither the first nor the last person to refer to CLDS
members as neoliberals. They are simply recognizable as such on our
intellectual scene. More important than that is the fact that they, in different
ways, manage successfully to promote the theoretical assumptions and
practical implications of neoliberalism in Serbia; an environment where
theoretical and practical liberal tradition is fairly weak, and under the present
circumstances also necessary.
I have also tried to show that neoliberalism wants to distance itself from "pseudoliberalism", i.e. social democratic liberalism allegedly corrupted by the welfare state. In other words, the neoliberals emphasize that they are reverting to the original values and positions of the 19th century liberalism, before it became "contaminated by socialist ideas" of the welfare state (Nedović 2005, 233). Return to the sources is affected through Hayek, Nozick and Friedman, i.e. their ideas of the late 20th century, namely authors who our neoliberals also consider their intellectual authorities.

In order to position the neoliberals I used the term "new right", also known in the modern political, economic and sociological theory. The new right does not represent a single, systematic political and economic philosophy so much as an attempt to merge two different traditions: neoliberalism and neo-conservatism. Despite political and ideological tension between them, these two could be combined in order to create a strong, but minimal state: a free economy and a strong state, as Heywood believes. The minimal or "night watchman" state has three basic functions: a) to preserve internal order; b) to ensure respect of contracts, i.e. voluntary agreements entered into by citizens, and c) to offer protection from external attacks. That is why the institutional apparatus of the minimal state is limited to the police forces, the judiciary and a form of army. Economic, social, cultural, moral and other responsibilities belong to the individual, i.e. form the component parts of the civil society.

In the ongoing political debate the minimal state is defended by the new right. It supports the "suppression of state borders". In Nozick’s works this is reduced to the interpretation of Locke’s liberalism which is based on individual, especially ownership rights. Hayek and Friedman look upon the state intervention as the "dead hand" which affects competition, efficiency and productivity. According to the new right, the economic role of the state should be reduced to but a few functions: maintenance of the legal tender in the country, i.e. "hard currency" (low or zero inflation), and support for competition by means of control over monopolies, pricing, etc. The previous few paragraphs represent an attempt to summarize the framework of ideas of the "culture of capitalisms" the CLDS NGO neoliberals are guided by in their theoretical and practical efforts.

However, I shall also mention an interesting point related to a finding of my analysis that has only been mentioned in the introductory part of the paper. Namely, I wrote that the journal *Prism* reveals admixtures of neoconservatism which is, in one way or another, advocated by several of its contributors who, in organizational terms, do not belong to the CLDS as an NGO, but are encompassed by the liberal editorial policy of this monthly. Specifically, I would like to point out to contributions by Miša Đurković and Milan Brdar. Before I point out the conservative elements in their views, I should say that the conservative new right wishes to renew the authority by suggesting the return to traditional
values, especially those related to the family, religion and nation. This position is also often linked with a specific form of nationalism which is equally skeptical towards the growing influence of supranational bodies, such as the European Union, and towards globalization. The example of philosopher Miša Đurković is clear to the extent that this author is signed as the chairman of the Center for Conservative Studies in Belgrade, thus as someone who respects the values of conservatism as a political philosophy and ideology and wishes to promote the conservative thought in our midst. He places his concept of conservatism in the political center-right and in his article "On the Legitimacy of Conservatism" claims: "What we need is the creation of a normal liberal-democratic spectrum wherein all moderate options (both left and right) have their proper place and where the parties of the left and right center respect each other, knowing that they are the dam protecting us from greater evil, radicalism and extremism" (Đurković 2002, 33).

The example of the sociologist and philosopher Brdar is somewhat more complex. In his contribution with a characteristic title "In Defense of Nationalism" he defends Serbian nationalism from the "anational civilistic pedagogy, the Serbs were intensively subjected to by the media in the past two years," especially through the speeches of the DOS and various NGO members, and only in Serbia. He offers an apology for nationalism as a position because: a) without nationalism completion of identity is impossible to achieve without neurotic traumas; b) without the recognition of nationalism as a legitimate position there can be no enlightened and rational policy, and c) because the people deprived of it remains without respect for itself and others, and is therefore condemned to disappear" (Brdar 2002, 36). I will not elaborate the view which holds that "liberal nationalism" as a form of collective identification may be open to other forms of individual and collective solidarity. I shall only say that in view of the Balkan experience, and especially the tragic experience of the wars of the 1990s in the Yugoslav territories, I am convinced that the border between the "liberal" and "neoliberal nationalism" is too vague and easy to cross, and that "good nationalism" here is hardly possible. As an example of a rational and moderate approach to nationalism I would like to point out to an article by Veljko Vujačić, also published in Prism (September 2002) under the title "Civic, Ethnic and State Nationalism in Serbia and Yugoslavia".

In conclusion, it would be in order to outline my own position on this issue. For that purpose I will resort to the words of Alan Scott who, starting from Polanyi and invoking Bottomore and Habermas, suggests that we may accept that the complete victory of political over the economic factor is conducive to inefficiencies of the type manifested in (no longer existent) socialism, and at the same time argue that the kind of economy’s victory over the social and political factor once and for all, as envisaged by neoliberalism, may only be attained at a high social cost. (...) The demise of communism,
even if it does prove greater efficiency of the market as a means to organize economic life, in itself does not support the neoliberal requirement that the logic of market relations should displace all other principles of social organization, outside and on the other side of the economic sphere. The victory of either the economic or political factor cannot be achieved once and for all (Scott 2003, 91). Applying this view to our ideational (ideological) scene, I find the views of egalitarian liberals more acceptable than those of the libertarians, and in particular the view of the renewed social democracy, e.g. Giddens' "third way". Politically speaking, if libertarianism (neoliberals) is center-right, than I as a "renewed social democrat" find myself center-left on the political specter and believe that we may mutually respect each other. Finally, the ranks of contributors to the Prism, which I regrettably have not cooperated with, also include an occasional "stray" neo-social democrat.

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Сретен Вујовић

Центар за либерално демократске студије као невладина организација која промовише економски неолиберализам у Србији

Ова студија је посвећена процувању идеја и основних активности Центра за либерално демократске студије (ЦЛСД) из Београда, као не-
vладине истраживачко-образовне организације. ЦЛСД је тренутно најва-
жнија НВО у Србији која се, полазећи од либералног становишта, бави
представом економског, а затим политичком и правном проблематиком
развоја. Реч је о НВО која промовише "културе капитализма" у смислу
"нове деснице", односно неолиберализма или либертијанизма. Њени
целеви су: заштита индивидуалних слобода, слободна тражишна привре-
da и економски напредак, владавина права, одговорна и ограничена др-
жава и либерална демократија. Резултати истраживања о ЦЛСД се засни-
вају на анализи двадесетак студија које је објавио овај Центар, анализи
његовог месечника Призма, као и анализи интервјуа са осам чланова
ЦЛСД на тему њихове сарадње и размене идеја са Западом.

Кључне речи: економска култура, транзиција, либерална демократија, Србијa
Sreten Vujović

Le Centre pour les études libéro-démocratiques - une ONG promouvant le néolibéralisme économique en Serbie

Cet article est consacré à l’étude des idées et des activités principales du Centre pour les études libéro-démocratiques (CLDS) de Belgrade qui est une organisation de recherche et d’éducation non gouvernementale. CLDS est actuellement l’organisation non gouvernementale la plus importante en Serbie qui partant d’un point de vue libéral s’intéresse principalement à la problématique économique, puis politique et juridique du développement. Il s’agit d’une ONG qui promeut "la culture du capitalisme" au sens d’une "nouvelle droite", autrement dit du néolibéralisme ou du libérianisme. Ses objectifs sont: la défense des libertés individuelles, l’économie de marché libre et le progrès économique, le règne du droit, un État responsable et limité dans ses prérogatives et la démocratie libérale. Les résultats de la recherche effectuée sur CLDS sont fondés sur l’analyse d’une vingtaine d’études publiées par ce Centre, l’analyse de sa revue mensuelle "Prizma", ainsi que sur l’analyse des interviews avec huit membres du CLDS au sujet de leur collaboration et de l’échange des idées avec l’Occident.

Mots clés: culture économique, transition, démocratie libérale, Serbie

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