

## THE STRUGGLE AGAINST MONOPOLY

Several months of discussion about the reconstruction of the Government of Serbia, new ministers, foreign and domestic counselors brought to the situation that in Serbian public this process was more seen as personal rather than talking about the „reconstruction of goals“. And „reconstruction of goals“ meaning the change of economy and economics concept of Serbia is the most important result of changes in Serbian Government. The success of this process is going to determine the destiny of the cabinet of Serbian Prime Minister Ivica Dačić.

Serbian Government has in the first year of its mandate, as all previous governments, „put fires out“ – from economics to the politics. Progress in normalisation of relations with Priština, decision of the European Union about the beginning of the joining negotiations, the fact that Serbia has again become the credible international partner which can be trusted, essentially better relations with the countries of the region, successful struggle against criminal and corruption and the preparation of systematic rules in this area, the abolition of the reform of judiciary that was applied by the previous Government and adoption of new Law about public supplies – have been only some of the results of the current Government that are worth mentioning. Still, all of these questions are the consequence of the basic problem of Serbian society which lies in the fact that, for more than a decade, have not been provided necessary social and economic reforms. That is why Serbia is staying behind and is not efficient and competitive enough in competition with the neighbourhood and the world. The impression is that current Serbian Government is aware of this problem and that it is, unlike the previous governments having dealt with the consequences, determined to deal with the cause of the problem.

The changes that have happened in Serbian Government less than a month ago, represent the basis for starting the struggle for creating strong and healthy economy. Serbia today, maybe for the first time since 1990, when was introduced multi-party democratic system, at the head of the departments of the economy and finance, has got people who do not belong to the greatest Serbian political and economic lobbies. Until now the practice was that, independently of the way the governments were changing, certain influencing economic lobbies have got their „representatives“, in the most important economic resources in the executive authorities. That is why it was possible for certain companies or other groups of businessmen, such were the importers, to be the „favourites“ of every government. Independently of the politics that was led, whether its goal was the ally with the Russian Federation or the membership in the European Union, the system of the economic privileges was not touched. And those privileges were the businesses in the name of the state, and with the state, confusing and non-transparent system of subventions, profitable loans and guarantees for the export, the influence on the decisions of the state concerning the economy, selective relations towards foreign investors, the influence on the course of RSD via National Bank of Serbia...

That is why Serbia, formally in the political sense democratic, remained closed society, with strong economic monopolies which earn millions on account of the poor citizens. Direct consequence of such behaviour was stronger and stronger influence of these economic cartels on society, media and politics. Serbia has lived for the decades in a way that it was spending more than it could earn and every new Government was having less and less space for solving this problem. Current Government, which was formed a year ago, faced an empty cash register, overloaned country, great number of employees and pensioners, inefficient public enterprises and weak domestic economy. That is why it has to simultaneously solve current problems as well as to try to remove their systematic causes. Current problems have been partially solved by the success of the first Deputy Prime Minister Aleksandar Vučić ( the leader of the Serbian Progressive Party which has been the strongest political party in the country ) who enabled two billion euros, with the low rate, at the period of 20 to 30 years, from the United Arab Emirates. For the country that was at the edge of bankruptcy because in the following year it was obliged to pay only for the rates around billion of euros, this is a short-term salvation. However, this „ present“ from the Emirates has got a sense only if the society understands it as a chance to execute reforms which would enable Serbia to move forward. And these steps are a new arrangement with the IMF, fixing of the picture Serbian economy has got in the world, the membership in the World Trade Organisation and better economic ambience.

That Serbian Government after the reconstruction has changed its goals and put the economic reforms at the first place noticed a doctor Vladimir Gligorov, a researcher at Vienna Institute for international economic studies, who while being a guest at the television B92 said that Serbia „ has got problems of „ short-term nature“ but who warned that when talking about the „ change of natural structure, to enable jobs for as many people as possible – it is a job for ten or more years“. Gligorov marked the announcements of new ministers of finance and economy as „ sustained and realistic“ and messaged that nothing can be solved without finding a key of how to solve the problem of employment, and that „ in one country it can not be possible that one third of the citizens work and others not to work“. Professor Gligorov considers that by the reconstruction of the Government the aimed function was changed and that the theme of employment came out in focus. He warned that Serbia is practically in front of the bankruptcy and in several ways. „ Sector of enterprises itself is practically in bankruptcy. The unpayable demands in banks are 50 per cent, which is catastrophic.“, said Professor Gligorov and warned that such a position can last long.

So, the Government was not in a position to choose the moment for starting essential economy and economics reforms. It could, as previous Governments, choose the line of smaller resistance, and solve only these problems which were attractive for media and thus give its contribute to a historical collapse of Serbia which lasts for almost 25 years. It has chosen reforms and should be congratulated on that. Honestly speaking, not only Serbia has been facing very difficult economic situation but a lot of other, more wealthy and economically developed countries. The examples of countries geographically close to Serbia such are Slovenia, Greece, Bulgaria, Italy or Spain only confirm this topic. Still, differently from these countries, Serbia is not a member of the European Union and there is no one to help it unless in helps itself. Thus, despite global economic crisis, Serbia does not have any choice if it wants to survive and become an attractive and competitive country for the investments and life.

That the intentions have been serious concerning reforms confirms the engagement of former General Director of International Monetary Fund (IMF) and French Minister Dominique Strauss-Khan which by the call of the Deputy Prime Minister Vučić has become an economic counselor of our Government. This, once successful French Minister and the leading man of IMF, who significantly changed the philosophy of this international financing organisation, with quite good contacts in financing circles in the USA and Europe, should help in cleaning of the situation in public finances of Serbia and especially in restructuring of the foreign debt of our country.

Besides Strauss-Khan the counselor of the Government of Serbia is going to become a former Austrian counselor Alfred Gusenbauer. His occupations are going to be politics, economy and European integrations. German expert for the struggle against corruption and money laundering Bettina Nellen is also becoming a member of the counseling team in Serbian Government. Still, maybe the most famous name among new counselors in Belgrade is a Lord Peter Mandelson, the most important associate of former British Prime Minister Tony Blair.

Dominique Strauss-Khan said after his arrival to Belgrade that „Serbian economy has got serious problems“ but that he thought that it was possible to „with certain efforts solve the problems and accomplish success“. He announced his first concrete advice to the Government of Serbia in a few months stressing that he has not got a magic stick and that results can not be expected very quickly.

The leading coalition showed courage by choosing the independent ministers and by bringing foreign counselors because they need to help the country to adjust to changes, to modernize and to abolish monopolies. Zero tolerance for not paying taxes, reduction of grey economy, equal rights for everyone, transparent system of subventions and state help, and opening of market are good for state and citizens but are going to bring a headache to the Government. It is going to face serious, rich and powerful enemies because many who were earning for the decades on the existing system of privileges are now going to lose millions of euros. As it would say Napoleon Bonaparte „man is going to struggle more eager for his interests than for his rights“.

The most important ally to Serbia in this struggle is going to be the European Union which Belgrade is starting the process of negotiations about the membership with. In favour of being so speaks the fact that the European Commission in its last report about Serbia demanded that the system of subventions and donations to the state organs and economy became transparent. The negotiations about the membership in the European Union have been mostly the agreement about the dynamics and ways of adopting the rules of the Union, and many of them are going to refer to the abolition of the monopoly, increasing of the competition and opening of the market. That is why this process is going to permanently change Serbian society and economy for better in the same way that happened in Czech Republic, Hungary, Slovakia or Croatia.

Responsible government listens to the voice of its businessmen and respects everyone who employs at least one employee. It is normal that the greatest companies are more influential in the government than smaller companies. However, it is not normal that regulations and economic conditions are created only for the greatest companies in order that they could make greater profit which was the case so far.

Serbia has got over three hundred thousand businessmen in more than one hundred thousand companies, in small and medium enterprises work 56 per cent of the employees and these companies accomplish 46 per cent of gross domestic product and feed around million of people. That is why the state, when it creates economic and business ambience and adopts regulations, needs to take care about the interests of all companies and not only the greatest ones. The best example for that is Germany in which four out of five companies are in family ownership and employ 300 people.

So , the changes in economy that are about to come are the most important struggle of this government. It is not going to be easy because those who are going to be left without privileges have got strong influence in media, politics and society. The opponents of changes are going to misuse citizens' dissatisfaction, fear of losing jobs or new taxes. That is why it is important that new government its intentions in economy, the plan of reforms and changes makes transparent. Citizens need to be explained why the changes have been undertaken and what beneficiary society and everyone individually can expect out of them. The dialogue is necessary with everyone who are interested starting from the Unions, chamber of commerce, the union of consumers and media. Everything that remain secret and unexplained – is going to be used against the Government. No matter how hard they live, citizens in Serbia as well as everywhere else in the world, do not expect the impossible of politicians , meaning to solve all their problems. They want to see the plan, the vision, and to be convinced by the politicians that they are capable of doing what they promised and that they are not arrogant, meaning that they share the destiny of their people. It is exactly what Serbian Government needs to do.

Thus, in order the struggle against monopoly proves successful, the term above all the terms is strong political will. The impression is that it exists now in Serbia. Being so confirmed the leader of the strongest political party in the country Aleksandar Vučić who, having been a guest recently at the state television , announced „ sweat, tears and problems in the process of economic recovery, which is the term for the survival of Serbia.“ Besides political will, it is necessary the support of public, and the Government is going to struggle for it.

Economic recovery and the change of economic politics are questions of the survival of the country. Success or failure of this process are going to give the answer to the question whether Serbia is going to be a modern and arranged European society in which people live in dignity of their work or it is still going to be a community in which prevails the right of stronger, and more wealthy. Or speaking in language that everyone can understand, whether it is still going to be the case that chocolate and medicines are going to be more expensive in Novi Sad than in Berlin or Paris only because someone in Serbia has got the monopoly over it?