

Braking factors influencing the long-term stagnation of development in the SEE countries

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Abstract. The subject of the paper is to explain the impact of three braking negative transition factors causing the long-term stagnation of socio-economic development in the three selected countries of South East Europe (SEE) - Bosnia & Herzegovina, Montenegro, and Serbia. It is about institutional inefficiency (which is generated in the synergistic action of alternative institutions and neoliberalism), the post-socialist totalitarian legacy related to the nomenclatures of power, and the underdevelopment of socio-cultural capital. The aim of this paper is to prove their dominant influence on the reproduction of the socio-economic development deficit (in fact: stagnation) in the observed countries through a hypothetically constructed survey model. The starting point is the basic hypothesis that the overall phenomenology of developmental stagnation is caused by wrong, slow, and inefficient institutional changes (political and macroeconomic), which have caused the dominance of alternative institutions. It also starts with the auxiliary hypothesis that privileged institutional monism (expressed in pronounced non-market appropriation) was the basic motive for the action of these braking factors, although methodologically and essentially it was in paradoxical contradiction with the proclaimed promises of “reformers”. In addition to the usual methods of social sciences, the paper used the results collected through an electronic survey of 900 respondents. In conclusion, the set hypotheses were verified, confirming the imperative need for democratization of society and the application of institutional pluralism on the model of developed countries, which implies the elimination of the considered braking factors.

Keywords: institutions, alternative institutions, neoliberalism, quasi-neoliberalism, countries of South East Europe.

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1. INTRODUCTION

The process of transitional reforms in the SEE countries began three decades ago, after the epochal collapse of the monistic socialist order (collective bureaucratic dirigisme). However, the transition in the SEE countries has not yielded satisfactory results. On the contrary, many old (inherited) and new factors of developmental stagnation have been retained. It seems to us that the new factors of development stagnation had a far stronger effect than the old ones. This opinion (assumption) has so far been expressed by many authors from the SEE countries (Delibasic & Grgurevic, 2013). We have verified this opinion in the paper by extensively collecting answers to electronic survey questions and researching them.

Most authors point out that the main (general) cause of long-term development stagnation was the establishment of a new monistic order of the neoliberal type (privileged individual dirigisme). However, it will remain unclear to what extent such an irrational order was induced by the creation of domestic and to what extent of foreign “reformers” (global neo-imperialism). In any case, institutional inefficiency (which includes the operation of alternative institutions and consequent problems, dominated by systemic corruption and the rule of law deficit), the continuation of totalitarian traditions from socialism and their recombination with new forms of dirigisme are consequences of interest-oriented power nomenclatures and new dogmatic ideology (neoliberalism). On the other hand, the underdevelopment of socio-cultural capital is, nevertheless, the cause of the acceptance of the stated dogma, due to which it had a drastic collapse and degradation.

In this paper, we selected the most general and basic (braking) factors that negatively influenced the thirty-year duration of socio-economic stagnation, i.e. the example of various reform measures that were essentially anti-development. In addition, an attempt was made to substantiate descriptive and critical elaborations with the opinions of a significant number of respondents, using a survey in the three SEE countries observed.

2. THEORETICAL APPROACH

Many authors (North, 1971, 1989; Hodgson, 1988; Rodrik, 2000, 2008; Acemoglu et al., 2004; Eicher et al., 2006; etc.) believe that stagnant factors of socio-economic development are predominantly associated with a deficit of institutional change. It is important to point out that some Montenegrin authors, with occasional co-authorship with foreign authors (Delibasic, 2018; Draskovic, et al., 2019; Draskovic, V. Draskovic, M. & Bilan, S., 2019, Draskovic et al., 2020a; b) have noticed a specific difference in relation to classical institutional inefficiency.

It is reflected in the existence and strong action of the so-called “alternative institutions”. According to these authors, alternative institutions are the main cause of the transitional failure. They point out that the negligible importance of alternative institutions in the economic literature of developed countries is not disputable, which was also stated by some foreign authors (e.g. Halaskova, 2020). However, they also believe that existence, functioning, strengthening, and great (even dominant) influence of alternative institutions are unjustifiably neglected in the economic literature.

In the most SEE countries during the transition period, neoliberalism (as an imposed culture, ideology, and philosophy of big capital) turned into quasi-neoliberalism because of its inhuman, brutal, crisis, and hegemonic manifestations. The three-decade period was marked by the struggle for power and its preservation. All this was accompanied by substantial institutional violence and greed of the government nomenclature and their lobbyists for non-market enrichment. Formal and informal institutions were paradoxically relativized and subordinated by alternative institutions, with interest-rhetorical absolutization of the market, entrepreneurship, and freedoms. Their influence can slightly be changed via the informal

nets' activity (Andersson, 2019), however, it demands appropriate initiative and support (Paudel & Devkota, 2020).

In addition to numerous stagnation indicators, it seems that three factors were and remain the most important: high unemployment, social stratification, and dissatisfaction of the people. Dissatisfaction with life in some population groups (for instance, youth) has essential peculiarities (Ivaronavičienė et al., 2021) and can lead to changes in socio-economic development in favor of more developed countries with advanced systems for support of human capital development (Oliinyk et al., 2021; Wachowska, 2018). Despite numerous promises and alleged "reforms", most people are still waiting for a better, more humane, and just order to come; they strive for a higher standard of living, democracy, rule of law, more efficient and pluralistic institutions, forcing knowledge and socio-cultural capital. Exemplary models and achievements of civilization exist in developed countries, thereby, the improvement of the state, its putting into the service of citizens, and the establishment of a more just civil society are rightly expected.

In other words, the citizens of the SEE countries expect the establishment of a better order, which will significantly eliminate the dominant system of privileges, systemic corruption, negative selection, and alternative values, which were the causes of all injustices and inequalities in society. In that sense, it is stated that the deliberate (interest-driven) formation, strengthening and long-term operation of alternative institutions determined most of the negative social phenomena and consequences, which turned into various forms of deformed social movements. According to some authors (Delibasic, 2018; Draskovic et al., 2019, 2020), all these negative and opportunistic social manifestations have slowed down the socio-economic development. Some of these phenomena took on the characteristics of neo-totalitarianism and institutional violence. Ultimately, they generated a specific recombined model of profit-seeking and rent-seeking motivation and opportunistic behavior, which directly influenced the reproduction of deep and general stagnation, setbacks, and deformations in society and the economy.

Alternative institutions have never been directly the subject of research in Western literature. Nevertheless, certain traces can be discerned: from G. Becker's economic theory of discrimination (1957), D. North's exploitative approach to the state, 1981, p. 22.), theories of rent-oriented motivation by A. Krueger (1974), R. Congleton, and A. Hillman (2015), and explanations of imperfect institutions and opportunism by T. Egertson, (2005), through the theory of predatory state by A. Robinson (1999), D. Marcouiller and L. Young (1995), and M. Olson (2010), explanations of the influence of the ideology by A. Denzau & D. North (1994), the theory of "total institutions" and the theory of the influence of powerful administrative-bureaucratic groups by A. Mc Auley (1991), to the theory of violence by D. North et al. (2009), and O. Williamson's theory of opportunistic behavior and limited rationality (1985a; 1985b).

In addition, D. Rodrik (2007) distinguishes between good and bad institutions, while D. Acemoglu and J. Robinson (2012) notice the difference between extractive and inclusive regimes. Indirectly, the mentioned authors described the objective conditions in which alternative institutions can arise and operate. It is very important to identify

- anti-competitive economic institutions in societies with "limited access to resources" (North et al., 2009; Acemoglu et al., 2004) whose bearers are the alleged "elite", and
- social violence, privileges (Clark, 2009), political rent-seeking, non-market redistribution, systemic corruption, log-rolling, and many other socio-pathological phenomena.

However, the reasons for these phenomena in the SEE countries are very specific: path dependency, foreign geostrategic, geopolitical, and geo-economic influences, war environment, procedural forms of domination (authoritarianism of the government regime), the rule of law deficit and others.

V. Draskovic et al. (2019) proved the synergy between quasi-neoliberalism, alternative institutions, and transitional crisis. Some authors have identified, explained, and schematically modeled the connection between developmental stagnation in the SEE countries and the activities of alternative institutions.

3. ANALYSIS OF BASIC BRAKING FACTORS OF DEVELOPMENT IN SEE COUNTRIES

As basic braking factors of development in the SEE countries, we have identified:

- institutional inefficiency - deficit of institutional change with parallel action of alternative institutions and quasi-monistic neoliberalism (in terms of economic policy, culture, and ideology),
- post-socialist totalitarian legacy related to government nomenclature, and
- underdevelopment of socio-cultural capital.

At the theoretical level, the significant lack of institutional reforms in the considered countries has been explained in multiple and detailed ways. The deficit of institutional changes, i.e. institutional inefficiency, has been convincingly confirmed in practice. There are many reports from relevant international organizations and numerous official government analyzes which do not need to be repeated¹.

Regardless of that, we will list some basic indicators from the mentioned sources, which indicatively explain the reasons for institutional efficiency in the observed countries:

- *Corruption Perceptions Index* in 2019 was 89% (B&H), 67% (MON), and 87% (SER),
- *Index of Economic Freedom 2021* (respectively) in terms of economic freedoms, the ranking of the observed countries was: Bosnia & Herzegovina 82 (62.9%), Montenegro 80 (63.4%), and Serbia 54 (67.2%)
- Development of institutions measured by the GCI indicator in 2018 was: in Serbia 60.9%, in Montenegro 59.6%, and in Bosnia & Herzegovina 54.2% (Schwab, 2018).
- Almost all traditional indicators of transition stagnated in the period 2006-2010 (Table 1).

Table 1

Rating of traditional indicators 2006/2010

State	Enterprises			Markets and trade			Financial institutions		Infrastructure
	1	2	3	4	5	6	7	8	9
B&H	3-	3	2	4	4-	2-	3-	2-	2+
Montenegro	3+	3	2	4	3+	1	3-	2-	2-
Serbia	3-	4-	2+	4	3+	2-	3-	2	2

Source: EBRD, 2006.

Legend: 1 – Large-scale privatisation; 2 – Small-scale privatisation; 3 – Governance and enterprise restructuring; 4 – Price liberalisation; 5 – Trade and foreign exchange system; 6 – Competition policy; 7 – Banking reform and interest rate liberalisation; 8 - Securities markets and non-bank financial institutions; 9 – Infrastructure reform.

Note: The transition indicators range from 1 to 4+, with 1 representing little or no change from a rigid centrally planned economy and 4+ representing the standards of an industrialised market economy.

¹ The EBRD (*Structural and Institutional Change Indicators*), The Heritage Foundation (*Index of Economic Freedom*), The Nation In Transition Index (The Freedom House), The Governance Indicators, World Economic Forum: Global competitiveness index - GCI (*Pillar 1: Institutions*); Fraser Institute (*Nation in Transition Index*); orld Bank (*Governance Indicators*).

Although it is not easy to investigate and explain some alternative factors influencing the stagnation of socio-economic development (due to illegal activities, from the shadow), certain institutional and other factors directly or indirectly indicate their existence and negative impact on social and economic development in the SEE countries. These indicators are: the index of the rule of law, privileged and non-market redistribution (appropriation) of resources, the index of economic freedoms, the index of perception of systemic and other corruption, the level of inequality in society, etc. All these factors form a conglomerate that synergistically influenced the formation and operation of the so-called “alternative institutions” in the SEE countries. Of course, this is a paradoxical quasi-neoliberal phenomenon, which contains a complex and contradictory system of interests, which in practice were aimed at redistributing state and private resources, but also had their own geopolitical, geo-economic, and ideological mentors.

Table 2

All banks N = 44; Public bank N= 4; Private bank N= 35; Foreign bank N= 5.

	Bank Ownership Type			
	All Banks	Public bank	Private bank	Foreign bank
Variable/Bank characteristics	Mean	Mean	Mean	Mean
Bank Age (years)	22(12)	43(.50)	19(11)	23(14)
No. Of Total Branches	180(270)	944(290)	114(75)	17(10)
No. Of Total Employees	3175(4181)	13489(7191)	2324(1681)	703(810)
Total Assets (BDT Million)*	182460(168508)	581748(278514)	149298(78973)	88523(84559)
Total Deposits (BDT Million)*	144612(138860)	475033(235255)	118043(62719)	60947(59916)
Total Advances (BDT Million)*	103310(75434)	252402(98562)	94711(51952)	42507(45200)
SME Advances (BDT Million)*	15717(15864)	21401(15646)	16736(16171)	4236(5503)
SME Advance To Total Advance Ratio	15(10)	7(4)	17(11)	8(5)

Standard deviations are in parentheses.

Source: Bank's annual statements 2014; Authors' calculations

*1 USD= 77.87 Bangladeshi Taka (BDT) as of 31 December 2014.

Unfortunately, many destructive and ruinous phenomena have occurred under the guise of false promises and rhetorical propaganda of alleged changes and freedoms, on the one hand, and their strictly programmed control, prevention, and institutional violence in practice, on the other. This paradox has been the general framework of all social and economic movements for the past three decades. Therefore, it is important to determine the destructive action level of certain braking factors of socio-economic development, which are the subject of research in this paper. There is a strong impression that the deficit of institutional changes in the observed SEE countries is a consequence of simultaneous synergistic action of three factors: institutional slowness and inefficiency of government nomenclatures, their interest-oriented abusing of formal institutions and building alternative institutions, and neoliberalism as ideological basis and support. The process of institutional failure and the paradoxical creation of alternative institutions is structured below (Figure 1).



Figure 1. The paradox of alternative institutions as a general social context

Source: Supplemented and adapted to Draskovic, et al., 2020b, p. 46

Given the fact that culture is a general envelope of all social movements and the most important categories (institutions, education, knowledge), as the cause of all problems in the SEE countries, many authors (Smiesova et al., 2019; Soyigit, 2019, Thomas, 2020) point to the abrupt establishment (better to say: imposition) of neoliberal culture and the corresponding ideology of the SEE countries. This phenomena was permanently and sophisticatedly followed by apologetics (political and media), as well as high interest orientation. In fact, these were three key (integral) parts of the quasi-neoliberal order, on which numerous abuses and degenerations of formal and informal institutions relied, which resulted in the creation of alternative institutions, representing specific meta-institutions (illegal, criminal, from the shadow, in the hands of the highest representatives of the power nomenclature).

The immoral and illegal abuse of formal and informal institutions by alternative institutions has resulted in the enrichment of alleged “reformers” (the nomenclature of government and their lobbyists). Hidden illegal and semi-illegal activities served as the basic methods of regulation. The result was the marginalization of the mass interests of the people, the blockade of real institutional changes, institutional control, and institutional competition, as well as overall socio-economic development.

Methodologically unsustainable, fictional and orchestrated quasi-neoliberal story about the so-called “minimal state” is actually the best proof of their forcing of alternative institutions, which can exist only at the expense of the reduction of the institution of state regulation. The huge gap between neglected mass and privileged individualism in the SEE countries was accompanied by many other stagnant, crisis, degenerative, and destructive processes and phenomena. The most drastic were: increased unemployment, increased public debt, increased coercion, mass impoverishment, decreased levels of all forms of education, ignored Pareto optimum, criminalized society, and domination of party criteria (eligibility) over all other value criteria.

In the previous presentation, among other factors of influence, the post-socialist totalitarian legacy related to the new anti-reform and “elitist” (interest) motives of the nomenclature of power is recognizable. It was indisputably one of the basic generators of the institutional deficit (inefficiency) and all the accompanying phenomena, problems, and processes that “consistently” followed it. Obviously, many dirigiste experiences, absolutizations, and undemocratic methods from the socialist period were used.

Inadequate and relatively underdeveloped cultural and civilizational environment (or: real absence of "civil society"), strong statist traditions, introduction of recombinant forms of the new elitist order, use and abuse of the state as a screen for expressing expansive nomenclature interests of government, privileged non-market appropriations propaganda of "absolute truth" (again monistic, but this time with the opposite "sign" - neoliberal), etc. - all this has contributed to the spread of disastrous and long-term anti-development tendencies (essentially: delaying development).

Although in socialism the illusions of idyll and progress were aggressively propagated with indisputable results in the part of the so-called "social standard", the society was, however, conflict, relatively stagnant, and crisis. Many problems, paradoxes, and contradictions have accumulated and intensified. Over time, they grew into general discontent, open conflicts, and a general crisis of socialism as a movement, practice, and idea. This culminated in its demolition in the SEE countries. It was necessary to create new institutional solutions as soon as possible. But, under the influence of the highly interesting orientation of the government, that was not possible. Institutional changes have been slow and inadequately implemented, therefore, old and many new problems have been exacerbated.

The almost half-century-old socialist domination of party-bureaucratic centralism (essentially: dirigisme and totalitarianism) over the economic base and social superstructure, along with class and ideological improvisations, created the reproduction of stagnation and crisis. All the socialist reforms undertaken were palliative, unsuccessful, and compromised. However, socialist "evolution" produced many other degenerative and destructive elements, which continued to exist during the transition period. Their destructive effect was especially pronounced in the part of economic underdevelopment, suffocation, and improvisation of democracy, strengthening of the alienation of the population and enrichment of the centers of power (nomenclature of power).

These elements conditioned the continuation of the methodology of slogan politics, promises, uncritical borrowing abroad, formal reforms and declarative democracy, and the rule of law. Due to all that, there was a metastatic mutation of the old dirigisme. It has resulted in new and socially much more difficult deviations and problems. The major new problem was the continuation of old trend - opposing to institutional changes. However, it was due to far greater pretensions of interest and drastic alienation from the people. The methodology of that alienation became sophisticated, and included elitist domination, parasitism, opportunism, false patriotism, apologetics, power-building, unlimited privileges, inviolable party careerism, and clientelism.

In this way, the ideology of servitude, nepotism, negative selection of personnel, ignorance, and even stupidity spread (Draskovic, 2020). The system of social motivation has been permanently crushed, the value criteria and principles of social justice and responsibility have been degraded. The system of non-market enrichment has been affirmed. The problematization of national and identity issues continued. The economic crisis, the rare, insufficient, and unfavorable foreign investments (which often had the character of disinvestment) and the standard of living were regulated (serviced) by borrowing abroad. Democratization and the protection of human rights have been significantly ignored and masked by various improvisations. The new leaderships of the ruling parties continued the tradition of establishing production (social) relations at will. Thus, a system of elitist domination was created with the parallel forcing of alternative institutions. They were monistic, voluntary, highly interest-oriented, exploitative and quasi-democratic, based on bureaucratic privileges and quasi-neoliberal dogmas. The promised development wheel of transition reforms has been turned upside down.

After three decades of such a regime in the SEE countries, which V. Draskovic (2020) named "*post-socialist neo-imperialism*", it is clear that no success has been achieved in any of the main transitional directions: privatization, democratization (with the rule of law), economic stabilization, and institutionalization. Instead, uncontrolled liberalization was achieved, which according to almost all characteristics bears the character of

“quasi” and which is at service only to the so-called “new elites”. The basic problems and functions of economic philosophy have been forgotten, among which the primary is *origin of wealth*. This “forgetfulness” is not accidental: it originates from the development of Yugoslav economic thought, which was greatly influenced by authoritarian rule, etatist dogmatism, voluntarism, formalism, subjectivism, and utopianism (Ibid.).

Observing the transition in the SEE countries and its numerous paradoxes² in general, it is clear that it fundamentally contradicted the modern dialectic of pluralistic development, which verified the need for resource-allocation, organizational, motivational, informational and institutional interdependence, which must characterize the ideal of the so-called “acceptable world”. In such a context, economic freedoms, competition, private property, and entrepreneurship as mass phenomena, democracy and the rule of law - are just slogans and promises.

Underdevelopment and erosion of socio-cultural capital as an anti-development factor of influence in the SEE countries have been examined in detail and consistently by Draskovic et al. (2020).

4. EMPIRICAL RESULTS (CASE STUDY)

As a methodological framework for the comparative analysis, for the purposes of this paper we have used - answers to survey questions of 900 respondents. The 300 respondents were selected among citizens of Bosnia and Herzegovina, Montenegro, and Serbia who possess a certain level of awareness and knowledge about the economic situation. The aim was to examine the perception of the professional public about the existence and negative impact level of three important social phenomena, marked as three independent variables in our hypothetical model:

- institutional inefficiency,
- post-socialist totalitarian legacy related to nomenclatures of power, and
- underdevelopment of socio-cultural capital.

In the analytical-technical and methodological sense, the respondents were asked the following three group of questions, to which the answers were sought for each of the listed SEE countries:

- How would you on a nine-point scale from 1 to 5 rate the negative impact of institutional inefficiency level on the transition anti-development (“quasi-neoliberal strategy” in Bosnia and Herzegovina, Montenegro, and Serbia)? (1 - lowest grade ... 5 - highest grade);
- To what extent has the post-socialist totalitarian legacy related to nomenclatures of power negatively affected the transition anti-development “quasi-neoliberal strategy”? (1 - lowest grade ... 5 - highest grade);
- To what extent has the underdevelopment of socio-cultural capital negatively affected the transition anti-development (“quasi-neoliberal strategy” in Bosnia and Herzegovina, Montenegro, and Serbia)? (1 - lowest grade ... 5 - highest grade);

² Apologetics and democracies (abuse of K. Popper), “*spontaneous order*” and “*minimal state*” (abuse of F. Hayek and A. Smith), marginalization of institutions and mass individualism (abuse of D. North), neoliberalism and alternative institutions in relation to the institution - freedoms - violence, as well as national interests - (abuse of Mc Auley and J. Buchanan) - according to: V. Draskovic (2020).

Below the questions are appropriate explanations for respondents, which are directly related to phenomenology and categories of institutional inefficiency, post-socialist totalitarianism of nomenclatures, and socio-cultural capital (as three independent variables in our hypothetical model), as well as to transition anti-development “quasi-neoliberal strategy” (as dependent variable).

Among the respondents were:

- (i) employees in governmental institutions,
- (ii) employees in NGOs,
- (iii) non-employed persons,
- (iv) students, and
- (v) pensioners.

Each group was formed out of 60 respondents from the three SEE countries listed. Respondents were asked to assess the negative impact of these factors (independent variables) on the transition anti-development “strategy” (quasi-neoliberal) as dependent variable in the hypothetical model at their discretion (on the basis of their best knowledge, experience, and/or intuition). For assessing the negative impact of these factors the respondents used the scale (1.0; 1.5; 2.0; 2.5; 3.0; 3.5; 4.0; 4.5; 5.0), where 1.0 represents the lowest and 5.0 the highest impact.

The survey was conducted in the period 05.09.2020 - 30.04.2021, whereby the percentage of unanswered surveys was relatively high (17.3%). Therefore, the survey was repeated with additional number of respondents.

Table 3 shows all relevant results of the survey.

Table 3

Survey results

States / Influence of independent variables	Dominant grade range / number and percentage of respondents		
	<i>B&H</i>	<i>MON</i>	<i>SER</i>
Institutional inefficiency	4-4.5 (225 / 75%)	4-4.5 (237 / 79%)	3.5-4 (213 / 71%)
Post-socialist totalitarian legacy related to power nomenclatures	2.5-3 (201 / 67%)	2-2.5 (189 / 63%)	3-3.5 (195 / 65%)
Underdevelopment of socio-cultural capital	3-3.5 (186 / 62%)	2.5-3 (207 / 69%)	2-2.5 (183 / 61%)

Source: Own

It is obvious that the impacts of institutional inefficiencies (consisting of alternative institutions and disastrous neoliberal experiments) in all the observed countries contributed the most to the socio-economic crisis. Over 70% of respondents in all three observed countries gave a unique assessment, whereby the mentioned factor of influence had the greatest importance (range of grades 4-4.5) given by respondents in Bosnia & Herzegovina and Montenegro, and slightly lower (3.5-4) by respondents in Serbia. The other two factors of influence were assessed in all three countries with a significantly smaller range of grades, as well as a smaller number of respondents, who in this case opted for a significant percentage of extreme grades. It can be stated that the negative influences of the second and third factors on the stagnation of socio-economic development (post-socialist totalitarian legacy related to power nomenclatures, and underdevelopment of socio-cultural capital) received from respondents in all countries approximately the same significance, measured by the dominant range of grades. This indicates the need for their urgent demanding in terms of reduction and/or elimination in the near future.

CONCLUSIONS

During the transition period, long-term, systemic, and institutional failures were recorded in the SEE countries, having the character and many elements of anti-development and anti-civilization behavior of the government nomenclature. In an obscure and paradoxical way, by transforming social property ("everyone's and nobody's"), they used their unlimited party power and influence to create alternative institutions. It was a key mechanism for conducting their privileged individual choices, or interests.

The established dominance of opportunistic individual behavior and alternative institutions over underdeveloped institutional structures was accompanied by various social and economic destructions and socio-pathological phenomena. As a result, there was a mass suffocation of freedoms and the creation of various monopoly structures (elitist type). Various overt and covert (masked) forms of institutional violence have emerged. They contradicted the proclaimed institutional pluralism and democracy.

After the socialist dogma and experiment as all its crisis consequences, a new (neoliberal, and essentially quasi-neoliberal) dogma was accepted. It contained (i.e.: retained) many hereditary elements and destructive social relations. Due to that, numerous recombinant flaws of the new economic policy and alleged neoliberal social relations have been realized in the SEE countries. Neoliberalism has shown in action all its destructive anti-development possibilities.

The transitional countries of South-East Europe today are drowning in social, economic, and institutional problems, crisis, debt, poverty, inequality and rich socio-pathological milieu. The results imply an urgent need for investing great social efforts towards permanent suspension of proven deviant actions caused by the institutional inefficiency, totalitarian legacy related to the behavior of the government nomenclature, and underdevelopment of socio-cultural capital.

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