



## NEO-LIBERALISM - KEY FACTOR IN PROHIBITING SUBSTANTIAL ESTABLISHMENT OF GLOBALISATION

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### Abstract

*Time in which we are living is facing a lot of contradictions, as contradiction between myth of globalization and isolation, contradiction between opening the economy and state towards isolation, contradiction between peace and conflict provocation. Source of these contradictions stems from the fear towards changes that are happening in the contemporary world. For this reason in this study the essence of contradictions is treated through the following matters: birth, development and definition of liberal doctrine, metamorphosis of liberal doctrine, generation of unbalanced economic and political results of globalization process, challenges of globalisation process as well as challenges which are faced countries by “third world” and countries under transition. This approach will defeat nationalist unilateralism only by adapting their primary objective, modern approach towards social solidarity. Therefore it is necessary for developed countries to understand that main enemy of western civilization is inability of this civilization to lead on the right way an integrated world. Governing in this interdependent world should lean in mutual respect and mutual cooperation.*

*Keywords: Liberalisation, Neo-liberalization, Reaganism, Thatcherism, Metamorphosis, Generation of unbalanced results, Dilemmas, Challenges*

## INTRODUCTION

The time in which we live faces many contradictions but most pronounced contradiction of this time is contradiction between myth of globalization and isolation. The source of this and other contradictions stems from the fear of rapid change taking place in contemporary world. This contradiction is a consequence of the impact of neo-liberal paradigm on the process of globalization. This influence transforms globalization from a universal force to neo-globalization which failed to round out this phenomenon. After the fall of Berlin Wall, preoccupation of former socialist countries was reflected towards EU membership.

But some countries in transition, despite the observance of liberal principles and EU membership, only reach the level of capitalism surrogate ersatz and mafia.

Liberal doctrine implies union of free individuals and their influence at all stages of decision-making. But at the same time they take responsibility for their economic, financial and social position in order to achieve utility and realize life plans and professional ambitions. From this comes that liberal doctrine considers freedom as an essential element of individual and social values.

The essence of liberal doctrine cannot be understood only basing on “*economic technology*”. For this reason neo-liberalisation is focused in stretching of governing forms in relation to people. (*Josifidis Kosta – Llošons Alpar, Iderne, Beograd 2017*)

Through XVII century until now with liberalisation as doctrine has undergone several metamorphoses: a). *Classic Liberalisation*, b). *Modern Liberalisation*, c). *Neo-liberalisation*.

After the great economic crisis and World War II, classical liberalism was replaced by modern liberalism which dominated until the 60s and 70s of the last century. While due to the transformation of economic model of welfare and the welfare state into social ills and with emergence of the phenomenon of stagflation, Keynesian paradigm was replaced by the neoliberal paradigm. This paradigm arose from fear and governance through fear and networking in combination with state intervention.

This culture was named in literature as “*culture of fear*”. This culture is built on basis of intentional function of the company – maximizing profit and eliminating fear of existence – in capitalism. Adherents of neoliberal paradigm are committed to a minimal state intervention in economy, especially in the field of redistribution of realized incomes.

Dominance of this paradigm began in 70s and 80s until the outbreak of global financial crisis. According to them, redistribution of realized incomes undermines motive of those who are at the top of economic pyramid and harms all strata of society. Therefore, basic principle of neo-liberalism can be defined as limiting state intervention in economic and social life. (*Šuković Danlio, IDN, Beograd 2014*).

Despite the fact that liberal paradigm is committed to a limited state intervention in economy, still this phenomenon led to the growth of state in large proportions which in literature are referred to as "Reaganism and Thatcherism", especially in 80s - 90s of the last century.

This model of liberalism led to increase of poverty as well as to creation of privileged groups which began to enter into the field of „*rent seeking*“(Rent seeking). For this reason a symbiosis has been created between management class, political elites and media elites. In addition to these factors, secular stagnation has also contributed to contraction of neo-liberal doctrine. Based on these facts we can conclude that stagflation and social disease lead to contraction of Keynesian paradigm, while secular stagnation leads to contraction of neoliberal paradigm. In other words, generation of unbalanced results and determination of facts as well as determination of challenge factors as well as globalization and the outbreak of global crisis lead the liberal doctrine to become a resistance movement rather than primary ideology of Western civilization. Humanity is therefore in search for a new paradigm. According to some experts in this field, existing paradigms should be replaced with paradigm of sustainable economic development. It is therefore imperative that developed countries understand that main enemy of Western civilization is inability of these countries to govern an integrated world. This governance is based on mutual respect and mutual cooperation between states and nations.

Comparative method was used during the drafting of this study. In the framework of comparative method enter: a). "*Vertical method*" and b). "*Horizontal method*". The "vertical method" enables comparison by whole through the so-called Case by Case approach. Therefore this study based on the "horizontal method" is made partial comparative analyses of some elements of the Trait by Trait access system. In this study are applied statistical methods and multidisciplinary methods which synthesize economic philosophy, political sociology and theory of international relations and econometric models.

## Hypotheses

**H1:** *Neo-liberalism led to the growth of total debt in the global economy;*

**H2:** *Neo-liberalism through financial industry derivative inventions led to rising inequality, poverty and outbreak of global financial crisis in 2008.*

## LITERATURE REVIEW

In this study literature review is focused in following fields: First in this field is analysed the birth, development and definition of liberalism, as a political and economic doctrine. (*Vukotič Veselin:*

„Globalization and isolation - ideology or history of future“, IDN, Beograd 2017, Surčulia Žhivko and Jelič Sreten: *Liberalism, role of government and economic crisis, with special attention in Serbia*, IDN, Beograd 2014), Mađar Ljubomir: *Anti-liberalism in 22 pictures, official voice*, Beograd 2012, Stefanović Žoran and Petrovič Dragan: *Globalization and neo-liberalism from the perspective of radical political economy*, IDN, Beograd 2014, Josifidis Kosta and Lošons Alpar: *Anti liberal last results neo-liberalism*, IDN, Beograd 2014, Stiglitz E. Joseph: *Making globalization work*, New York 2006, Stiglitz E. Joseph: *Free full*, New York 2010, Stiglitz E. Joseph: *New Era of monopoles*, Project Syndicate, 2016 – Albanian translation.

Second in the field of metamorphosis of liberal doctrine throughout 17th century until now Cvetičanin Neven: *„The welfare state as a synthesis between liberal and anti-liberal social tendencies“* IDN, Beograd 2014, Dukmanović Mirjana: *„National sovereignty and economic globalization“*, IDN, Beograd 2017, Šuković Danilo: *„Neo-liberalism on the brink of inequality and a bulky state“*, IDN, Beograd 2014, World Bank: *General Government final Consumption (GDP)*, 2016.

As third in the field of generating unbalanced results as consequence of entering of neo-liberal paradigm in globalization process: Pllumbi Servet: *„Global studies“* Tirana, 2009, Rodrik Dani: *„Double threat for Liberal Democracy“*, Project Syndicate 2018 – Albanian translation, Stiglitz E. Joseph: *„The great dividend unequal societies and what we can do about them“*, New York 2015, Mađar Ljubomir: *The splendour and reflection of globalization“* IDN, Beograd 2017, Sekulović Marko: *„Globalization and sovereignty“*, IDN Beograd 2017, Milanović Branko: *„Global inequality“* Novi Sad 2016, Sen Amarty: *„Development as freedom“*, Tirana 2009, Civici Ardian: *„State or market“*, Tirana 2013, Selmanaj Selman: *„Globalization and transition“*, Pristina 2006, Selmanaj Selman: *„Globalization and state building“*, Pristina 2014, Skidelsky Robert: *„The road to full investment“*, 2014 – Albanian translation.

Fourth, in the field of defining challenges of globalization process, including challenges faced by "third world" countries and countries in transition: Basu Kaushik, Project Syndicate 2018, <http://www.indeks-mundi.com>, 2012-2013 and World Bank database, 2017, Vukotiq Veselin, *Ibid.* IDN Beograd 2017, Jan Pisani – Ferry: *„The overthrow that Italy needs“* Project Syndicate 2018, Shiler. J. Robert: *„Issuance of debt in a new form“*, Project Syndicate 2018 – Albanian translation, Deavies Howard: *„Crypto sphere and crypto currencies“*, Project Syndicate 2018, Beillt Carl: *„The West in a crisis of confidence“* Project Syndicate 2018, Angus Deaton: *„The great escape“* Priston 2013, Solana Javier: *„A tool of two cities“* Project syndicate 2018, Mahathir Mohamad: *„New deal for Asia“* Sarajevo 2000, Mahathir Mohamad: *„Globalization and novelty“* Sarajevo 2002.

## THE BIRTH, DEVELOPMENT AND DEFINITION OF LIBERALISM

The time in which we live as mentioned faces many contradictions. In the context of these contradictions, the most pronounced contradiction is contradiction between myth of globalization and isolation. The essence of this contradiction can be explained through the ratio of automobile force to the force of hedgehog. This report comes to the fore when changes that take place in hedgehog circle are shortened and closed in its framework and prepared for war. But if there is a confrontation between hedgehog and car then from hedgehog will remain only his stain. It follows that the force of automobile personifies globalization while force of the hedgehog personifies isolation. This and other contradictions are a consequence of neo-liberalism impact on the process of globalization. This influence transforms globalization from a universal force to neo-globalization which has not yet managed to round off this phenomenon. Right now globalism has significantly entered economic field compared to other fields. However, it should be noted that globalization cannot be treated as fragmentation but should be treated as a network that includes many areas: *economics, politics, science, technology, finance, insurance and sports*.

This phenomenon is not isolated but networked therefore the contradiction between myth of globalization and isolation is understood as contradiction between pyramid and networking, i.e. between hierarchy and networking between democracy and absolutism (*Vukotiq Veselin, IDN Beograd 2017*). For this reason life will take place in smaller units and more suitable for better governance.

This phenomenon, in addition to economic development, includes as a priority education which in the form of rain nourishes a new life and a new civilization. Neo-liberalism has influenced present civilization to lose its memory as a source of principles but is increasingly becoming a model of sterile bureaucratic thinking and empty academic life. Liberalism was first introduced in England and later in other European countries. The main sources which have influenced birth and development of liberalization as a formative integrative force are: theory of natural law, on-going social reforms, rationalization and enlightenment which have largely been inaugurated in the works of Hobbes, Voltaire, Montesquieu, Kant, Tocqueville and others over time over 16th – 18th centuries.

In this period, in addition to the idea of uniting free individuals, liberalism was primarily reflected on basis of citizen equality idea, separation of powers, protection of private property, market role, regulation of economic relations, division of labour, division of the sphere of life into private and public, separation of religion from the state (secularism), construction of a pluralistic system (*Surčulija Živko– Jelič Sreten, IDN Beograd 2014*). At the same time, liberalization has influenced direction of social modernization in the growth and development of science, strength,

social, economic, cultural and technical-technological progress, affirmation of autonomy and freedom, its transformation into a specific productive force, human rights and field of protection of minority rights in countries of liberal democracies. After the fall of Berlin Wall, fate of all countries in transition after ups and downs around EU membership, mainly their doctrine was reflected in terms of EU membership. Despite the desire to join the EU, some of these countries, despite respecting and not respecting principles of liberalism, reach the level of predatory capitalism surrogate, ersatz and mafia. At the international level through establishment of new international order on basis of general globalization, idea of liberal society leads to establishment of some new forms of hegemony between developed countries, third world countries and countries in transition. It follows that gap between these countries has widened. The disregard for socialization as a political project has been influenced by the neglect of economic reforms. The elites of socialist countries have hindered the implementation of these reforms. The proper implementation of these reforms would lead to dismantling of the pillar on which social strength of the bureaucratic elites of these countries is based. (*Mađar Ljubomir: „Anti-liberalism in 22 pictures “IDN, Beograd Official Voice 2012*). Therefore, the minimal state is treated as a cell of choices of minimal social contradictions; this means limiting institutional activities that can solve these problems. Liberal doctrine implies union of free individuals and their influence at all stages of the decision-making process. Liberalization therefore entails constraints on institutions and legal constraints. Laws and respect for liberal rights are considered essential elements of this doctrine. Individual and social evaluations therefore apply to all members and activities of social processes. This requires respect for restrictions and equal rights of all members of society (*Stefanović Zoran and Petrović Dragan, IDN Beograd 2014*). „*The role of liberalization cannot be understood solely on basis of economic technology*“ but politico-economic approach to liberalization focuses on the crisis of interdependence between politics and economics. In other words, liberalization is a kind of problem of the contemporary world and includes forms of government with people. (*Josifidis Kosta – Lošons Alpar, IDN Beograd 2014*). Therefore liberalization is considered a product of criticism of state intervention in the economy. Therefore relations in production are considered as a relationship between individuals who during their activity lead to contraction through the state (*Josifidis Kosta – Lošons Alpar, IDN Beograd 2014*).

This critique can be reformulated through all three aspects: *a). in moral terms, b). in epistemological terms, c). in freezing the initiatives of individuals in sense of „Crowding out“.*

Moral criticism implies that state intervention in economic field leads to erosion of self-realization of freedom. Epistemological criticism is based on the fact that hypothetical state representatives are unable and unwilling to represent totality of the problem. The third critique

presents thesis that activity of the state always produces deep consequences which replace development of the creativity of individuals with regulations (*Josifidis Kosta – Lošons, Aplar IDN Beograd 2014*).

These criticisms do not mean that liberalization ignores central non-economic institutions which mainly focus on the regulation of society and property through state bodies.

The protection of property rights is considered by liberals as the culmination of liberalization development. In this sense economic theory has expended much effort and knowledge to promote property as an essential link between freedom as a specific productive force and economic efficiency. Proponents of neo-liberalism believe that the secret hand will dominate economy while quasi-natural paradox is presented as constructive governance. For this reason classical liberalization is expected to be a paradox. So natural reality is an artificial product and cannot be achieved in the absence of a constructive activity. For this reason paradox of liberalization treats freedom as ex-ante and ex-post. With the outbreak of the global financial crisis 2008-2009, the rise of populism in North America and Europe is influencing liberal doctrine to become a resistance movement. So the doctrine of liberalization in the present conditions cannot be treated as the primary ideology of Western civilization.

## THE METAMORPHOSIS OF LIBERAL DOCTRINE

Throughout the XVII century and until now liberalization as a doctrine has undergone several metamorphoses: *a). Classical liberalization, b). Modern liberalization, c). Neo-liberalism.*

- **Classical liberalization** - means the state with minimal functions. In other words, classical liberalization means the condition where state will not deal with forecasting of numbers but with creation of a favourable environment in which economic entities through their autonomous activity lead to significant economic and social changes. (*Pešikan Radovan, IDN Beograd 2014*).
  
- **Modern liberalization** - treats the state as an instrument of redistribution of wealth and power of society in order to build a right society. Modern liberalization encompasses not only the status of the individual but also his responsibility to society in the form of common functions which are delegated by individuals to states or to a regional economic project. This model of liberalism comes into expression after the great economic crisis of 1929-33 and the Second World War thus dominated until the 60s and 70s of the last century. The Keynesian paradigm through monetary and fiscal policy has dominated this period. Through this paradigm Keynes managed to show that the interaction between market and state is the straightest and most successful path of macroeconomic

governance. In the 60s - 70s with appearance of the phenomenon of stagflation (Stagnation and Inflation) especially after the 1973 crisis the Keynesian paradigm begins to shrink. In other words with introduction of this anti Keynesian phenomenon welfare economy model and welfare state turned into social ills. Therefore according to some economists in the economy appeared economic deregulation. The Keynesian Revolution was replaced by anti-Keynsian counter-revolution.

- **Neo-liberalization** – This form of liberalization was introduced in the 1980s of XX century. Neo-liberalization is defined as a political project that mainly focuses on dismantling all functions of the state which are related to state control and welfare state. In the professional and scientific literature neo-liberalism is treated as the ideology of big capital. Economic and social development based on this ideology has mostly come to the fore in developed capitalist countries and in realization of interests of the transnational capitalist class. This political project has led to increasing poverty and global, regional inequality within a nation-state. Neo-liberalisation arose as a result of liberalism crisis especially with the transformation of the welfare and social model of state into social disease. On this basis neo-liberalization can be treated as a combination of glomerular state and market system. Neo-liberalization is a model of liberalization which arose from fear and is governed through fear, networking and state intervention in order to change the world. For this reason this phenomenon in the literature was termed as "*culture of fear*" which is sometimes presented through institutional incitement, while sometimes through non-institutional incitement. This phenomenon can be systematically governed through the fear which stems from intentional function of the enterprise - maximizing profit and eliminating the fear of existence - in capitalism. It follows that fear is presented as a governance mechanism that must always be prepared for the consequences that flow from anti-liberalization. (*Josifidis Kosta – Lošons Alpar, IDN Beograd 2014*).

The neo-liberal agenda was formed on the basis of Washington consensus that led to the favouring of big capital - multinational corporations. As the case may be, the rules of free market allow for unrestricted freedom and a large scope for action, leading to greater mobilization of financial capital on the one hand while reducing sovereignty and the possibility of tax collection by the state on the other. "Third world" countries and countries in transition are committed to economic development through absorption of foreign capital, especially through direct investment.



For this reason, these countries are forced to form a favourable terrain for entering of foreign direct investment (FDI) and foreign capital in general compared to capital of host countries. In these way multinational corporations, developed countries, international financial organizations – IMF, WB, IOT become sovereign entities at all stages of the decision-making process. This influence therefore leads to the erosion not only of sovereignty but also to endangerment of democracy (*Dokmanović Mirjana, IDN Beograd 2017*). Proponents of neo-liberal paradigm are committed to minimizing state intervention in economy, especially in the area of income redistribution. Message of adherents of this doctrine is reflected through this slogan: „Tide raises all the ships“ in other words, all strata of society, including the poor, benefit from economic growth.

According to this doctrine redistribution of realized incomes undermines motivation of those who are at the top of economic pyramid as well as the social pyramid. This action harms all social strata of a country, therefore as a basic principle of neo-liberalization can be defined as limiting state intervention in the economy (*Shuković Danilo, IDN Beograd 2014*). Despite the fact that neoliberal doctrine commits for limited intervention of the state in economy and society again is being noticed growth of the state in major proportion which in literature is named as “Reaganism and Thatcherism“ especially in 80’s- 90’s of the last century.

This huge increase in the state can be illustrated by the increase in final expenditures of general government consumption (% GDP) for some selected countries 2016.

Table 1: Final expenditures of general government consumption (% of GDP) – 2019

No.	Countries	Final costs of general consumption of Government (% of GDP) - 2019
1	Brazil	20.3%
2	Canada	21.2%
3	China	16.7%
4	France	23.1%
5	Germany	20.4%
6	Netherlands	24.5%
7	Russian Federation	18.3%
8	Sweden	25.9%
9	United Kingdom	18.8%
10	United States	14.0%

Source: World Bank database, 2019

In the beginning of 20th century % of GDP was 10% while on 80's in some countries arrived to 50% while in Sweden 60% (*Shukovič Danilo, IDN Beograd 2014*). This increase in final consumption expenditures leads to a strong backlash in the form of "Reaganism and Thatcherism". This form of liberalization led to the rise of poverty, inequality and creation of privileged groups which began to enter the field of rent seeking ("*Rent Seeking*") by establishing a link between management, political and media elites. This link led to suspicion in market system. Therefore, humanity must constantly seek to establish a reasonable balance between market and state, always keeping in mind human component of economic development in globalized world. Taking in consideration that the future is unpredictable then Antonio Gidens thinks that at the level of current economic and social development, „*humanity is unable to predict how the next economic, political and cultural order will be built*“. It flow out that we are in a state in which medieval thinkers were unable to imagine the construction of industrial society that emerged after the fall of feudalism, nor are we able to predict the changes that will take place and occur in the 21st century and in the next century.

In reduction of the role of neo-liberal paradigm has been influenced by the increase of poverty, inequality, construction of a sluggish and inefficient state, global financial crisis is considered one of the main reasons that the Association of American Economists and the World Economic Forum (WEF) expressed their doubt; in their doubt in verification of neo-liberal paradigm which relies only on the market system (*Shukovič Danilo, IDN Beograd 2014*). Taken as a whole, fear is considered to be the decisive cause of the birth and development of the liberal doctrine which still governs society on the basis of fear. In addition to these factors, secular stagnation has also played a role in reducing the role of neo-liberal paradigm. This form of stagnation is reflected in willingness of people to associate their cash with low interest rates due to pessimism. So the essence of secular stagnation can be treated as depression which feeds on itself causing a high unemployment rate (Hesen), small number of births accelerates economic stagnation as people tend to spend more on their children and are not inclined to invest more in the future ". Based on these facts we can conclude that stagflation led to reduction of the role of Keynesian paradigm, while secular stagnation led to reduction of the role of neo-liberal paradigm. Therefore, humanity is in search of a new paradigm, they think that the new paradigm is presented in the form of sustainable economic and social development.

## **GENERATING UNBALANCED ECONOMIC AND POLITICAL RESULTS**

In the XX century two utopias have emerged which were in fierce competition with each other: a). *Socialist utopia - which after a serious illness disintegrated in the 90s of last century, and b). Neo-liberal utopia that marked a great success and seemed to be freed from a great sorrow and*

as if to win eternity (Pëllumbi Servet „Globalism“ Tirana 2018), regarding this perpetuation we will mention the statement of the Assistant Secretary of State for Federal Reserve of USA who on WEF declared explicitly that „a model has been created that we had thought about“.

As a result of globalization the risks are distributed in different markets if one of them unravels the others stay (Pëllumbi Servet „ Globalism“ Tirana 2009). Based on this statement the concept was built „on the end of history “(Fukuyama) and capitalism was proclaimed as the only model of society, while globalization was proclaimed as the eternal model of mass consumption. Based on these statements unbalanced results can be synthesized at these points.

**Firstly**, the rules of the game are unfair because they favour developed countries.

**Secondly**, for now globalization supports material values over other values: environmental protection, quality of life.

**Thirdly**, Existing governance with the process of globalization has led to a reduction in sovereignty of nation-states.

**Fourthly**, instead of general benefit there are arguments pointing to total losses in both developed and "third world" countries as well in countries under transition.

**Fifth**, economic system of global capitalism has been imposed on third world countries and transition countries (Stiglitz E. Joseph, New York 2006).

**Sixth**, liberal democracy was endangered from several factors: election of Donald Trump for President of USA, BREX-it – the arise of the populist electorate in Europe, but a very small number of analysts have noted that illiberal democracy or populism is not the only threat to liberal democracy. This is endangering a trend which is grounded „in liberal terms, to the detriment of democratic aspect“. It follows that in this type of politics rulers are isolated from democratic accountability by a set of restrictions which affect limitation of the policies which they can implement. This form of regimes in the literature is referred to as „undemocratic liberalism“. In recent times liberal democracy did not function and has been replaced by the so-called „undemocratic liberalism“. In most institutions such as: ECB, ECR, Rules of liberal economy, international agreements, WOT or the free trade agreement (NAFTA). Most of these institutions conflict with the rights of minorities or those who are not part of government. (Rodrik Dani, „Dual threat to liberal democracy“, Project syndicate 2018).

**Seventh**, until the outbreak of the global financial crisis, the IMF's approach has been mainly focused on lowering inflation rather than wages, unemployment and poverty. Recently, especially at the G20 Summit - officially the IMF has made it a priority to reduce poverty by opening opportunities for maintaining macroeconomic balances globally and supporting countries facing economic difficulties, selling a part of the gold reserves to have more room for

lending and debt to countries in need, especially in African countries. It follows that the IMF intends to become the "Minister of Finance" (*Civici Ardian, Tirana 2010*). Regarding poverty reduction in Monterrey, Mexico, developed countries agreed on a substantial increase of up to 0.7% of their GDP. This assistance should be provided in the form of financial assistance and to a lesser extent in the form of loans. Providing this assistance in the form of loans brings on-going problems in the field of loan rescheduling. Regardless of this form of assistance, this assistance is still provided to the subject of conditionality - approval of legislature or social security or bankruptcy reforms or any other financial system - if we wish to receive assistance (*Siglitz E Jozeph, New York 2006*).

**Eighth**, one of the unbalanced results as a result of the neo-liberalization process is inequality. This tendency has turned into a time bomb which can be activated at any moment. So, the activity of economists should mainly focus on issues of distribution of realized income. The increase or decrease of inequality depends on economic model of respective countries. For example: Economic progress has been achieved through increasing inequality and in absence of democracy. Therefore American economic progress has been realized on basis of inequality and liberal democracy respectively neo-liberalism. China's economic model lifted more than 500 million people out of poverty at a time when the middle class of the U.S. population was in stagnation due to stagflation and secular stagnation. Rising inequality in the US is seen as the cause of the global financial crisis outbreak. The outbreak of crises is not the will of God as: *floods, volcanoes, earthquakes and other tragedies*, but are a consequence of measures taken by politics. (*Siglitz E. Jozeph, ibid, 2015, Albanian translation*). Crisis led to replacement of modern liberalization with neo-liberalism. US begin to be treated as a country of equal opportunities. The crisis cannot be turned into a chance but due to the impact of neo-liberalization leads to formation of plutocracy. (*Stiglitz E. Jozeph, ibid, 2015*). In order to reduce inequality, the following measures should be taken: quality education, application of appropriate financial rules, better system of governance within corporations, law affecting reduction of discrimination and practice, public reforms that lead to limitation of „*Rent seeking*“ from those at the top of the pyramid through initiative of wealthy people to reduce inequality who in the literature are referred as „*millionaire patriot*“. As: George Soros, Warren Buffett, who have signed a petition in which they declare: „*Our country has been kind to us. Create us a favourable ground to achieve success. Now we want to do our part to strengthen this base so that others have the same opportunity as us in this chance.*“ (*Cited by Stiglitz E. Jozeph, ibid 2015*).

**Ninth**, in terms of debt settlement to IMF and WB of 18 poor countries, 14 of them are in Africa but it should be noted that third world countries still owe \$ 1.5 trillion dollars.

**Tenth**, market liberalization in third world countries and countries in transition has not produced development but has produced more instability. This fact shows that Washington Consensus is more focused on GDP growth than on other issues affecting the standard of living. (*Stiglitz E. Jozeph, ibid, 2006*).

**Eleventh**, implementation of liberalization process has proven its failure to protect the environment, which is treated as a universal issue, because this issue includes minimizing failure of environment, conserving and using energy of other natural resources and reducing global warming. Unfortunately, since the Paris Agreement on global warming, President Trump has withdrawn the United States from this agreement. This retreat will certainly have negative impacts on reducing global warming.

**Twelfth**, one of the factors generating unbalanced results is the decline of cultural capital. This decline is reflected in these directions: „a). The dominance of video culture over the printed word, b). Contradictions between the level of education and the relatively low knowledge of basic foundations of general culture - history, geography, literature, knowledge of natural sciences, philosophy, ethics, etc., c). The extent of anti-intellectualism with anti-rationalism turning in some areas into the main restraining force. In this situation the main problem is not only the lack of some knowledge, but a reconciliation of people with their ignorance“. (*Pëllumbi Servet, Tirana 2009*).

**Thirteenth**, despite the fact that globalization led to an economic and social progress still during its realization has produced some complex problems, such as: impact of neo-liberalization on the process of globalization, technical-technological progress, expansion of international relations, lack of global governance and lack of global control. Lack of global governance is defined as the inability of state bodies in the orientation of this process, while lack of control is defined as the inability to form a stable database to take appropriate measures to eliminate obstacles to implementation of this process.

**Fourteen**, as a generating factor of unbalanced results is the preservation of extractive institutions and not the development of inclusive institutions. It follows that globalization is a universal and good phenomenon, but in some essential elements of this phenomenon we failed to govern and control this process, respectively we failed to round this phenomenon while some peripheral determinants of this phenomenon have undergone the process of modification of its producing negative impacts.

## CHALLENGES OF GLOBALIZATION PROCESS

In determining challenges of globalization process, following factors influenced: definition of liberal doctrine, metamorphosis of liberal doctrine, especially impact of neo-liberal paradigm,

generation of unbalanced results, generation of changes in field of global risk, effects of income distribution realized at the global level, etc. Based on these factors challenges of globalization process can be synthesized in these points first, instead of economic growth is reflected in increase of poverty with exception of China and India. This finding can be argued on the basis of this fact. The World Bank estimates that 776 million people or 10% of the global population live below the absolute poverty line of \$ 1.90 per day (On year 2013), (*Basu Kaushik: „Ethics of reducing inequality“, Project Syndicate 2018 – Albanian translation*). It follows that in the period 1988 - 2008 two factors have influenced in creation of profit: a). 1% of the rich population in developed and poor countries has made a profit while b). In this process have influenced middle class in several Asian countries: China, India, Indonesia, Malaysia, Thailand and Vietnam (*Basu Kaushnik: ibid, Project Syndicate 2018 – Albanian translation*). So even in older democracies such as US and some Western European countries leads to strengthening of chauvinist and supra-nationalist identities as well as the emergence of other social problems such as the opioid epidemic (*Basu Kaushnik: ibid, Project Syndicate 2018 – Albanian translation*). According to some analysts, this epidemic has significantly affected several EU countries: Hungary, Poland, Spain, etc. Population in the national poverty line can be illustrated through Table 2.

Table 2: Population on the national poverty line in% for some selected countries

No.	Countries	% of poverty	Year
1.	European Union	16.4%	-
2.	Albania	14.3%	2012
3.	North Macedonia	21.9%	2017
4.	Serbia	24.3%	2017
5.	Montenegro	23.6%	2016
6.	Bulgaria	22.6%	2018
7.	Croatia	18.3%	2018
8.	Hungary	12.3%	2018
9.	Kosovo	17.6%	2015
10.	Slovenia	12.0%	2018
11.	Turkey	14.4%	2018.

Source: [www.indexmundi.com/worldbankdatabase2019\\_](http://www.indexmundi.com/worldbankdatabase2019_)

From these data there is a fluctuation between these periods compared to these periods in the case of increasing poverty. In the period 2012 - 2013 poverty growth is reflected in Serbia from 9.1 to 25.5 in the period 2014-2015.

Montenegro had small increase from 2%, Slovenia from 2% and Hungary from 2%, while a drastic decrease in poverty in these two periods was recorded by Turkey from 16.9% (2012-2013) to 1.6% in the period 2014-2015, Kosovo has marked a decrease from 30% 2012 - 2013 to 17.6% 2014 - 2015.

**Secondly**, some experts in this field think that history does not repeat but rhymes (Mark Tven). From history, we have learned that all civilizations were born and developed on the basis of the new knowledge, innovations, cooperation between people, new ideas, etc.

Also on the basis of historical knowledge it has been ascertained that civilizations have disappeared at the stage when they have entered complacency zone, growth of bureaucracy which established the routine, shrink innovations, shrink new thoughts. But this does not mean extinction of the world, human Homo Sapience, but the disappearance of some elements which have been violated by time and disappearance of those closed and weak communities (*Vukotič Veselin, IDN, Beograd 2017*).

Bureaucracy increases public debt, instability, wars, deadly diseases, etc. According to some analyses, the GDP at the global level is 65 thousand billion Euros, while the level of total global debt has reached 202 thousand billion Euros, or the total debt has increased by 300%. (*Vukotič Veselin, IDN, Beograd 2017*).

These factors affect the loss of creativity, new thinking, new ideas, and solidarity among people; lose meaning of life, increase poverty and inequality which turned into a time bomb that can be activated at any moment.

Therefore this tendency leads to loss of meaning in life and neglect of human tissue. Increase of these factors over time shows that physical existence of human being for the first time in history depends on radical changes in character in the way of thinking, innovations, ethical principles in changing and respecting cultures of different nations. Globalization as a universal value can be turned into opportunities for economic development of small peoples only if we act according to the principle "*act globally think locally*".

This principle requires that globalization should be turned into an aspiration of courage for the little ones. If we have courage and knowledge we will be freed from inferiority complex of developed countries and great nations. This leads to the principle: "*The king is increasingly seen as naked*". (*Vukotič Veselin, IDN Beograd 2017*). These facts can be illustrated based on the table 3.

Table 3: Public Debt in Relation to GDP

No.	Countries	Participation of debt in GDP %
1.	USA	108.68%
2.	Japan	237.95%
3.	China	56.46%
4.	Italy	134.81%
5.	France	98.12%

Source: [www.viscualcapialist.com/63trillion-world-debt-on-visualization](http://www.viscualcapialist.com/63trillion-world-debt-on-visualization)

In addition to these leaders, there are other countries with high debt, especially some EU members such as: Greece 335 Billion \$, participation in total debt 06, participation in report with GDP (181.6), Portugal 267 Billion \$ participation in total debt 0.4, participation in report with GDP (130%). From these data it follows that in the present civilization humanity is focused not on authentic life but is mainly life-oriented „*money, without lead and without purpose* " (Hoze Ortega), (Vukotić Veselin, IDN, Beograd 2017).

The reasons that have influenced Italy to become one of the leaders of global public debt are not: a). nor sectorial developments, b). nor credit restrictions, c) nor the regulation of labour markets but this trend has been influenced by family management of small finances, selecting and rewarding trustworthy people (loyalty) and not on the basis of knowledge and merit (Jan – Pisani – Ferri: „*Overthrow that Italy needs*“, Project Syndicate 2018 – Albanian translation).

**Thirdly**, another challenge of globalization is the creation of a "right" trade regime between countries with different systems of history, culture and social performance.

**Fourthly**, despite the fact that supporters of market liberalization have pushed the "third world" countries to liberalize, still in 2003 the IMF acknowledged that liberalization in these countries has not produced development, but rather has produced instability.

**Fifth**, during realization of the globalization process, there is a consensus on the dangers of democratic unilateralism in relation to decision-making. This means that international financial institutions have set rules of the game to expand the scope of control. The International Monetary Fund has focused on securing loans from Western countries rather than helping "third world" countries, which are often in crisis. The democratic deficit in governance has led to a disruption of efficiency, especially in democratic field (Stiglitz E. Joseph, New York, 2006). The neo-liberal paradigm through secular stagnation reflects a bitter shadow about the future of humanity on this planet. In addition to secular stagnation recently a diagnosis has been



presented to establish a management regime which will realize high profit rates but without perspective. This diagnosis aims to establish a management which leads to a divergence between dynamics of increasing profit and increasing other qualities.

**Sixth**, traditional nation-state in the age of globalization is facing the diminishing extent of its authority in country and in international arena. In other words, nation-state is shrinking from the global economic forces as well as from the global economic demands as well as from political demands for delegation of its competencies to the central bodies of economic integration projects, as is the case of EU.

**Seventh**, some theorists in this field are convinced that the dynamics of capital mobilization produces negative effects on the middle class which is considered as a formative force of economic and social development. At the same time, this formative force can provide basis for social cohesion (*Josifidis Kosta – Lošonc Alpar „Globalisation“: Paradoxes of openness and closeness, IDN Beograd 2017*).

**Eighth**, according to some forecasts in the future, the challenge of globalization may be the beginning of the issuance of national debts in a new form which is related to the resources of their countries. It means debt should be issued in proportion to the country's GDP. Therefore, the issuance of bonds and other securities should be in proportion to the country's GDP.

**Ninth**, recently, the issuance of crypto currencies has been considered as a challenge of globalization process. In this regard, central banks are increasingly being divided into hawks and pigeons. On the side of the hawks are the Chinese and Russians. Thus the Central Bank of China banned Bitcoin trading. They rely on the teachings of Keynes *„The market can be irrational in the long run than you can remain solvent. (Project Syndicate, 2018 – Albanian translation)*.

While Elvina Llabullina, Governor of the Central Bank of Russia *„We do not legalize pyramid schemes and that we oppose private money whether in physical or virtual form ”*. The attitudes of the Canadians on this issue have been reflected like doves. The Central Bank of Canada has come to the conclusion that technology on which Bitcoin relies can build a financial and efficient system and studies are being done to find opportunities that at some point this bank will also release its digital currency. Even the Bank of England is ignoring concerns about the risk posed by digital currencies.

In terms of leaning towards hawks or pigeons the former Governor of the Central Bank of Mexico has made efforts to find a happy optimum between hawks and pigeons. In order to find this optimum he started by analysing the functions of money as a general equivalent. In this analysis he reminded us that the basic functions of money are: a). *money as a means of payment*, b). *preserving value* and c). *unit of account*. Therefore the price expressed in Bitcoin

is very rarely used during transactions and purchase costs of certain goods. For this reason crypto currencies are presented as an obstacle to finding this optimum.

Based on this fact, crypto currencies cannot be converted into genuine currencies because they are not able to perform the basic functions of money. It follows that despite the fact that some countries claim that crypto currencies are converted into genuine currencies; they still do not meet the basic criteria and do not even have the institutional support in most countries of the world. For this reason Canstres is positioned on the side of the hawks. (*Howard Davies, Project Syndicate, 2018- Albanian translation*).

Based on the analysis of the issues mentioned in this study, neo-liberalism has had a significant impact on the current civilization. This influence led to the loss of memory as a source of messages and in the scene of this civilization dominates the model of sterile thinking of bureaucracy and in emptiness of academic life. (*Vukotič Veselin, IDN, Beograd 2017*).

**Tenth**, having in mind sterile thinking of bureaucracy and emptiness of academic life we can consider that in recent year's world has entered a new phase, in which politics of hope has been replaced by the politics of identity and fear.

This replacement is a consequence of intentional function of the firm in capitalism. (*Bilt Carl, „West in a crisis of confidence“, Project Syndicate 2018 – Albanian translation*).

It is worth mentioning that in the period of beginning of capitalist production mode until now many changes have taken place with exception of intentional function of the firm in capitalism.

**Eleventh**, stability of the company purposeful function has influenced many social groups to remain in the forefront. Despite the fact that inequality at the global level has decreased with economic growth of some countries such as China, India and in some other Asian countries, there has still been an increase in inequality within sovereign states, especially the US and some other developed countries in the West. (*Angus Deaton, “The great escape“, Priston 2013*). At the same time, democracy has been eroded.

**Twelfth**, these two tendencies are leading towards a return to forms of fear such as the rise of nativism, xenophobia, production of nuclear power, stagnation of national infrastructure development, cyber-attacks. (*Solana Javier „A reference to two cities“, Project syndicate 2018 – Albanian translation*).

Crisis of 2008 showed that some products of the financial industry became weapons of mass destruction in the financial world.

Except in the financial world these derivatives became a social threat. This threat links the emergence of populist movements in all parts of the globe. The essence of these

phenomena can be explained through a statement of Carlos Dickens in his work “*A tale of two cities*”.

“*It was the best time, it was the worst time*” Dickens wrote “*It was a time of wisdom, it is a time of insanity, it was a spring of hope, and it was a winter of failure*”. This finding retains its universality to this day. (Cited based to Solana Javier, *ibid*, 2018 – Albanian translation).

Given these facts humanity feels a great need for leaders who are willing to maximize the benefits of science and technology and international cooperation (Solana Javier, *ibid*, Project Syndicate 2018– Albanian translation). Overcoming this situation can be achieved through mutual sincerity and elimination or at least mitigation of credibility deficit.

**Thirteenth**, Asian multilateralism through the formation of the Asian Infrastructure Investment Bank in value of \$ 50 billion (\$) in addition to the 30 acceding countries of this institution also joined: *Germany, United Kingdom, France and Italy*. Aim of establishing this bank is to meet the needs in the field of infrastructure.

One of the states that opposed formation of AIIB is: USA. This objection is mainly reflected in the values of trade, but in third world countries the lack of infrastructure presents a significant shortcoming for trade rather than customs tariffs. (Stiglitz. E. Joseph, *ibid*, Project Syndicate 2015 – Albanian translation). However, it should be noted that US opposition to the formation of this bank is not the first time. In fact, this opposition resembles American opposition to the "Japanese Free Hand" initiative. (New miyazawa). In the late 90's which offered to help East Asian countries during currency crisis (1997 - 1998)? At the time US did not provide any alternative as a source of funding. (Stiglitz. E. Joseph, *ibid*, Project Syndicate 2015).

It follows that the US stance is largely based on hegemony in an increasingly multilateral world, in other words US wanted to remain the only G-1 power in the world.

**Fourteen**, bad governance with globalization process led to introduction of two concepts: concept of development based on growing domestic demand (Keynesian) and concept based on supply which is reflected in tax cuts (neo-liberal paradigm). Purpose of these two concepts is reflected in terms of investment governance. However, according to IMF data, gross investment expenditures have decreased from 24.9% from 1990 to 20% in 2013 in most developed countries. That is why public investments are on "strike" (Sacks Jeffrey, Project Syndicate 2014). Humanity needs to build a long-term public investment strategy, protect environment and design a public-private partnership strategy and greater global cooperation.

**Fifteenth**, as a challenge of globalization process is new normal of Chinese economy which implies a period of slower development after three decades of double-digit development. In period of time from 2011 - 2014 the Chinese economy has grown at an average rate of 8% per year. It was predicted that by the end of this decade the Chinese economy would grow at an

average rate of 7.5% per year. In order to realize this phrase "*new normal*", the Chinese government has taken several measures - cutting central government spending, boosting Internet use, reducing carbon dioxide, supporting the most developed countries to form the AIIB. The change of China's role in international financial institutions, stagnation of the growing trend of house construction and consideration of introduction of Chinese currency among currencies that are considered special such as: US dollar, Euro, British pound and Japanese yen. (O'Neill Jim, *Project Syndicate*, 2015 – Albanian translation). Application of 2010 reform regarding strengthening of China's position in IMF structures would help a lot in realization of this phrase. Another challenge of the globalization process is the currency and trade war between nation-states.

### **CHALLENGES FACED BY 3<sup>rd</sup> WORLD COUNTRIES AND COUNTRIES IN TRANSITION**

Having in consideration ways in which globalization process enters in countries of the "*third world*", effects of globalization process in these countries as well as the areas of influence on economic development - economic growth, exports, foreign investment flows, stock markets, aid, distribution of political influence in 'third world' countries and countries in transition ,poverty, health and education, impact of the legislative infrastructure, we can freely say that these countries face many challenges, which can be roughly synthesized in these main points:

First, one of the most important challenges that these countries face during realization of globalization process is free thinking, i.e. thinking with their head or with your head. Second, the second challenge has to do with the truth. This challenge simply has to do with the fact that we live in a world where there is not much evidence of globalization. For this reason, there is a lot of misunderstanding about this process. In other words, at the time of general booms there are a number of multinational corporations - MNEs which perfidiously conceal their goals and ambitions about what is the main cause of their entering in countries of "third world "and in transition countries.

Third, the challenge that these countries face is challenge of justice and fairness. Building a new world order is based on securing the principle "*one person, one vote*". This principle is not fully observed by the main partners of globalization process, these partners as a divine principle is considered principle "*one dollar one vote*". Fourth, the key challenge that these countries face is mutual benefit. In other words, these countries must make continuous efforts to maximize the number of beneficiaries through globalization process and at the same time reduce the number of losers from this process. According to the United Nations, the wealth of the 200 richest people in the world is greater than the wealth of 41% of the total world population. Fifth, the fifth challenge lies in building a more right and humane world, in which the

beneficiaries will not realize all the goods of this world, but neither will the poor lose all that they have possessed. So this challenge has to do with the fact that most of the success is on the side of the strong and competitors, but at the same time the poor and the weak should not be allowed to live in hell and consider themselves as unlucky and hopeless people. Sixth, the challenge facing these countries, especially countries rich in natural resources, is to face these countries especially the countries rich in human resources in the interior of their land. This is a more complicated phenomenon than it seems at first glance. This phenomenon occurs even in countries with a stable and mature democracy, it is an on-going struggle for oil, natural gas and companies for the export of natural resources try to confiscate this wealth as much as possible.

With entering of multinational corporations, corruption began to play a role in these countries. In a relentless competition for oil and natural gas, multinational corporations more easily realize high profits in these countries by corrupting governments that have a lower price than the market price. Therefore, in order to reduce corruption within the OECD it has been approved "*Conventions on bribery and other forms of corruption*". However, multinational corporations outside the OECD have become global players in this regard. They do not comply with the OECD Conventions on Prohibition of Bribery and have therefore contracted to trade (*Stiglitz E. Joseph, New York 2006*). Globalization should not be treated as God before whom we should bow down and in no way should it be amnestied from guilt and mistakes made. Therefore, in the focus of globalization process human must be at the epicentre even when realization of profit is required. A number of people think that truth should be drawn from theology and scriptures - starting from Adam Smith to Milton Friedman when it comes to economics, but we are proponents of truth drawn from facts. In order to overcome mentioned challenges as quickly and easily as possible, countries of the "*third world*" and countries in transition must rely on five strategic principles, which must be undertaken during implementation of this process. These principles can be synthesized on the following points: first, respect for the principle of rationalization; second principle of readiness to enter the process of globalization; third principle of representation respectively principle of participation in this process; fourth principle of responsibility and fifth the principle of self-determination or, rather the principle of self-regulation (*Mahathir Mohammad, Sarajevo 2002*). Within these principles, rationalization is considered a basic principle, because these countries, including Kosovo must be careful not to spray the child with water. Therefore, these countries do not at any point turn their backs on the positive sides of globalization but at the same time do not blindly embrace - with all the negative features - this process. Taken as a whole, these countries should be free to give their opinion and at the same time be equally represented in the preparation and approval of international

rules, laws and standards. In all variants, these countries should demand higher ethical, moral and higher standards of responsibility from the main partner in carrying out this process.

Reducing challenges and dilemmas can be achieved through increased economic integration and unity among people. This appeal can be illustrated by the formulation by Claude Levi-Strauss according to which: "Humanity will either unite or will not live anymore". This opinion has the value of an appeal to be heard by employers, employees, fraudsters and the deceived, billionaires and people who have no bread on the table. This simultaneously requires redefining the existing macroeconomic paradigm and the intentional function of companies. This redefinition of the paradigm is based on interweaving of liberal elements with anti-liberal ones, with the interweaving of individual demands with global demands, in governance which is based on responsibility and knowledge and not on command responsibility. These are the main elements on the basis of which one can come to redefining of existing economic paradigm, redefining of purposeful function of the enterprise.

Redefining existing paradigm leads to sustainable economic development. Therefore paradigm based on teachings of Keynes and paradigm which is based on teachings of Milton Friedman should be replaced with paradigm of sustainable economic development. Therefore sustainable economic development can be macroeconomic paradigm in XXI century and in the next century.

## **CONCLUSION AND RECOMMENDATIONS**

According to contradictions of the modern world, in birth, development and definition of liberalisation, in metamorphosis of liberal doctrine, generating of unbalanced results as well as factors that influenced in determining of global challenges we can come up with these conclusions. Firstly contradictions specifically contradiction between myth of globalisation and isolation are consequence of impact of neo-liberal paradigm in globalisation process.

Secondly, liberal doctrine means unification of free people and their influence at all stages - preparation, approval, implementation and control - of autonomous decisions and taking responsibility for their financial and social economic position as well as for achieving usefulness and risk of life plans and professional ambitions.

Thirdly, during development of 17th century and until now liberalism as a political and economic doctrine has gone through these stages: a) classical liberalism, b) modern liberalism and c) neo-liberalism. Classical liberalism dominated from the 17th century until outbreak of Great Depression 1929-1933 as well as after World War II. Modern liberalization has replaced classical liberalization and dominated until the 1960s to the 1970s. In the literature this model of liberalism has been termed the "Keynesian" paradigm or "golden age" of capitalism. In this

period of time problems were solved through monetary and fiscal policy, while neo-liberalism began to reflect from the 60s and 70s until the outbreak of global financial crisis of 2008.

Fourthly, the contraction of Keynesian paradigm has been affected by stagflation, while contraction of neo-liberal paradigm has been affected by outbreak of global financial crisis and secular stagnation.

Fifth, with transformation of economic model of welfare and welfare state into social ills, Keynesian paradigm was replaced by neo-liberal paradigm. On the basis of this paradigm, the concept of "end of history" (Fukuyama) was built and capitalism was proclaimed as the only model of society, while globalization was proclaimed as the eternal model of mass consumer society. However, after the outbreak of global financial crisis, liberal democracy has been endangered not only by the rise of populist electorate but also by tendency which supports "liberal aspect and to the detriment of democratic aspect". Globalization as a process has been realized and is still being realized in the absence of global governance and global control.

Sixth, based on causes that influenced definition for challenges of globalization we can freely conclude that in addition to other challenges as the most significant challenges are reflected: poverty growth -10% of the world population lives in absolute poverty line, from 1.9 dollar , - by the increase of the total global debt to 300% compared to the growth of global GDP and issuance of crypto currencies which cannot convince most of humanity that they will play the role of total equivalent.

Proposal of debt issuance in proportion to national and global GDP is based on these facts and we can conclude that 2 hypotheses presented in this study have been confirmed. Therefore based on these facts, humanity feels a great need for leaders who are willing to maximize benefits of science and technology through collective management and international cooperation. This simultaneously requires redefining existing macroeconomic paradigms and purposeful function of firms in capitalism. This redefinition of paradigms is based on interweaving of liberal and anti-liberal elements. By combining individual demands with global demands, in governance which is based on responsibility and knowledge, not on command responsibility. These are main elements on basis of which one can come to redefining of existing macroeconomic paradigms, redefining of intentional function of enterprise in capitalism and construction of capitalism without capitalists.

Redefining existing paradigms leads to sustainable economic development. Therefore paradigms based on teachings of Keynes and paradigm which is based on teachings of Milton Friedman should be replaced with paradigm of sustainable economic development.

Thus sustainable economic development can be the macroeconomic paradigm in the XXI century and in the next century.

The current state in which humanity finds itself cannot be overcome through globalist elitism. But this situation can be overcome through sincere elimination or at least reduction of the credit deficit, poverty reduction and inequality at the global level.

In order to redefine the above paradigms, it is imperative that the West understands that the main enemy of Western civilization is the inability of these countries to better govern in this integrated world, respectively in an interdependent world which will be based on mutual respect between people and nation-states through international cooperation.

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