

## **Market and democracy**

*Recent discussions about Constitution and the political system of Montenegro motivated me to say my opinion about this problem. I will do that from the economic side of reality, closer, from the side of business and entrepreneurship.*

I will not define business, or open discussion about that subject. Simply, business is area where new goods and services, and their financial equivalent (income, profit, at the level of economy GDP). If we, as a Montenegro, want to increase our GDP, than we have to increase production of goods and services that have market! This approach to the market present in all areas of human activity. It is not only concerned to the production of material goods and production of services, but also on areas such as sport, culture, art, education, health care,... This also considers state, but the NGO sector too! Market is also in the basis of politics and political parties. Is not true that political parties sell their ideas and programs at the political market to voters? Party that on the election did not succeeded to enter the Parliament is the same as a product that is not sold! The number of positions in Parliament is the expression of the price for the products and services (program) of political parties for voters.

With this approach every one of us can agree or not, be against or for it! But it is un-important and it can stay at the level of personal problem or personal satisfaction. In today's civilization this is the fact: market and its logic are in the basis of this civilization, and not only the civilization of West.

In the basis of globalization is market and spreading of market that is globalization is the process of denationalization! In which measure it will be possible, is the Fukuama or Huntington right, and is not a part of this discussion for this occasion. We will leave it for one of the next numbers of Index.

Market approach has one more very important characteristic. It looks like the circulation of the blood in the organism. When any obstacle emerge in the circulation of the blood through the vein and artery, men feels problem! Can the organization of political system be a special kind of blocking the circulation of the blood of the society? Political system, based on the democracy has to provide satisfaction of the interest of individuals! When we speak about the interest of individual, then I think that both mechanisms – the market and the democracy have to provide main interest of individual: freedom! The principle of freedom is in essence readiness of individual to take responsibility for himself! Through the mechanism of market and democracy economic and political freedoms of every individual should be provided. Does the organization of political freedoms (political system) has the influence on economic freedoms?

In the base there are two systems of constitutional democracy:

1. Parliamentary system- the form of political system in which executive authority directly depends of legislative that is it can not perform it functions if it does not have the confidence of legislative authority.
2. Presidential system- the form of political system in which the executive authority is chosen separately from the legislative authority.

Choice of political system is not possible without taking in consideration, not only economic factors in narrower sense (how much it costs us), but with the measure how much it allows market logic and stimulates whole society (all individuals) to increase production of goods and services! How much that system stimulates people on creation, innovation, entrepreneurship?! How much that system enables that market blood goes free through all arteries and veins of that society!? On mine opinion that is much more important criteria of choice than it is for example interest of birocracy of party which political system turns into the system on itself and for itself!

Also political system can not enables monopoly to anyone! As a lot of opponents of „economic market”, that is liberalism speaks about the defects of market and need to interfere state that is how we can talk about the defects of „political market” that is market birocracy! Exactly from that position we have to look form of organization of political system: parliamentary or presidential! For example which of these two forms of system creates bigger monopoly for party or state birocracy? And every monopoly, in any area, decreases responsibility! That is how we come to the important criteria in the choice of political system: responsibility!

In Montenegro, according to majority, discussion about the parliamentary or presidential system finished! All political parties unanimous concluded that for the Montenegro parliamentary system is better and much appropriate! Truth is, that is announced only as a final position, not getting into any dipper explanations! Choice is done! Not small number of representatives of parliamentary system shoot poisons arrows toward those who are in favor of presidential system. I am a special target, since I initiated at the beginning discussion about the presidential system in Montenegro. Did not representatives of parliamentary democracy that emphasize that the main advantage of parliamentary system bigger level of democracy in the society, than in the case of presidential system, does not have tolerance and understanding that some can think differently?!!! That has different idea!

Presidential system in Montenegro is from not that small number of people with the emphasized need for political power is Satanic, almost to the level of new criminality!

Exactly from that reasons I want, because of the readers of Index, young people, to call their attention also to this form of political system that will, I hope, theirs generation of politicians introduce in Montenegro.

First of all, presidential system is today in more than one third of states in world! That means, we did not invent it! Also, indicative is that among 15 richest countries in the world we do not have any that has clear parliamentary system.

I would not stop on some general arguments that are listed in numerous literacy from this area. For me the question is does the implementation of presidential system is more appropriate for Montenegro, in the contest which I said before: increasing of production of goods and services, increasing initiatives, entrepreneurship and creativeness in society?

Before that I have to give answer on common question: „And for whom you intended this presidential system in Montenegro?”

Answer is simple: For the one that gets most votes at the direct elections!  
Basic principles from which I start are:

1. Practicality- I talk about this system from the practical side;
2. Individual- that is constitutive unit of economic and political system, and the releasing of it creative energy in any area is main task of the system;
3. Freedom- that is the basic human value, possibility to think differently, freedom understood as a right to inequality.
4. Democracy- „that would be the worst system of rule, if it did not have this alternatives” (Chercil). That means that democracy is „best system”, but it does not mean that it is perfect! That is live system!

All of this leans on the statement of Tomas Jefferson that the best government is the one that rules the least! The smaller need for government- that is better for individual!

How to get in situation that on the question: „Who is the Premier of the Government?” answer of citizens is: „Hm, what was his name...?”

How to limit government? Which political system that provides most effectively? „Every power spoils! Absolute power spoils absolutely!” (lord Akton).

Which system provides all of this in Montenegro taking in consideration three facts?

- (a) Size of Montenegro- we have to understand that this is the state with 650000 citizens. We have to get rid of our glorification of history role and acting of greatness! „The main advantage of Slovenia is that we do not have famous history, that we are not burdened with the prejudices about own historical importance.” (Joze Mancinger).
- (b) The importance of tradition- that cultural gene is not without importance and it reflects in specific relation toward the authority at this territory!
- (c) Economic power of Montenegro is, from the point of internal market, limited! How to expand market of Montenegro? How to organize political and economic system, state administration to produce goods and services that can be sold at the market out of Montenegro.

From these results that Montenegro is too small country to have, better said to copy organization of administration and to have all bodies as big state. The advantage of Montenegro is that it is not small country (for example Slovenia- around 2 000 000 citizens), because small country usually has same bodies as a big country, and the fixed costs of state big, but it is smaller of small country- micro-state! And those states can be atypically organized and can be cheaper from small state.

If Montenegro is small market, it has to be open! Internal market hardly can be challenging for entrepreneurship initiative. That is the reason why all obstacles to opens of Montenegro (customs, contingents) same as a sclerotic arteries in human organism! The one that wants to protect Montenegro with customs looks like the doctor that cures the mend that had heart attack with the greasy food, tobacco and alcohol.

That means that in the choice of the form of political system I conduct fan of economic-social criteria. We have to admit that for me as an individual the area of economic and social life is important for the satisfaction of my interests. I, as an individual, need a system, not to „play” democracy, but to most effectively satisfy my interests. Political system has to be derivative from the interest of us, individuals, and not from any groups or political parties.

That is how we came to that the market is main mechanism of coordination of economic activities and more important from state bureaucracy, and big and successful companies are more important than political parties.

From all this I deduce question: If the stimulation of entrepreneurship and business, and through that increasing of employment of people main goal of institution of economic system, how should be organized political system and state administration?

Does today Montenegro has „big government”? That is, does Montenegro have big fixed costs that burden cost of goods and services from its territory?

Two indicators show that Montenegro has „big government”:

1. Big public spending- around 46-48% of GDP („small state” should have public spending at the level of new-industrial countries 20-30% of GDP- Vito Tanzi).
2. Level of economic freedom- Montenegro is by some estimation be around 100 places in rang among 150 countries in the world.

Economic freedoms show the level of tendency of people toward business, toward entrepreneurship, toward earnings and profit! For example, do you, as students, think more about the employment in state, administration, politics or private business? Low level of economic freedom shows that advantages of employment in non-business sector are still high! That means that logic of market still does not fill society, that there are serious obstructions in its circulation! That is why we need serious „surgeries”, serious reformatted moves in this area!

Question is how to decrease public spending at around 30% of GDP and to have economic freedoms at the level example of Estonia? (Estonia is at the sixth place in the world by economic freedoms calculated by the index of economic freedoms of Heritage foundation). I can not see any special reasons why Montenegro could not have similar level of economic freedoms!

In other words, question is: How to increase competitiveness of Montenegrin goods at the wider market? How to export something? In the time of globalization- that is main question! That is, how to increase employment in Montenegro from 140 000 to 300 000?! Can the state do that in its bodies and agencies? Well now we have 1/3 of employed in state! Who will produce and create GDP if everyone works in administration?

My answer to this question is a concept of Montenegro as a micro state! Concept that is attracted from all sides! And by majors with the reason! A lot of critics fill that they would lose their current positions. It brings to the evaluative change of elite and power in the society! With this concept Montenegro goes too fast toward that what will unavoidable come! Of course, if we want to develop and modernize! Heroes of spending and donation will in this concept give its place to those who know and produces something! That is why transition is generation process!

I remembered Maks Plank who told that you should never aspect your opponents of your theory to convince them in its correctness! You have to wait till they die!

Implementation of presidential system, as one of the conceptually pillar of wider concept of organization Montenegro as a microstate, exactly creates basics for the development of new way of thinking and understanding of the life, economy, culture, entrepreneurship, art and new concept organization of state administration in Montenegro. That is the concept that can finish with today's logic that for our failures always someone else is fault and logic that we are mostly specialists for someone else business.

Besides that, presidential system is more appropriate for current economic system in Montenegro (opens, Euro, low taxes, national treatment of foreign,). Simply is incredible how changes in economic system are not taken in consideration in our political philosophy! Well, the fact that we use euro- turned all upside down! But, it is more considered as a simple, mechanic change of the mean of payment.

Also, there is an impression that democracy is basic principle that pervades thought Constitution! Democracy is rule of majority! Problem of democracy is relation toward minority, toward individual! Constitution should protect, not interests of majority, but should protect individual! To protect it rights, before everything right of life, freedom and property! That is why Constitution should be short and clear and focused on individual, not on majority!

Constitution should not favor any profile of political parties. For example is the regulation from the Constitution of Montenegro that Montenegro is among other social state connected with the fact that in the names of biggest parties in Montenegro you have words „socialism”, „social” that is „public” (DPS, SNP, SNS, SDP...)

Could you imagine that on the election could win party like: Democratic Party of capitalist or Capitalistic people party! Truth, not only in Montenegro!

Exactly, implementation of presidential system would be a chance that in the first Constitution of independent Montenegro „search” political system and new organization of state administration.

Where is real center of political power today? Is it citizen? Is it Parliament? Is it Government? No!!! Power is in political parties, closer to main boards of political parties, that is President of party. Dose in the current system Premier of the Government can stay if he is not President of the party? Political system is ruled by political parties!

How to change that? How to return power to the citizens, and to decrease monopoly of power of political parties? Does in the country that has around 450 000 voters parties can have that much influence on democracy? It is not controversial that political parties today have dominant way of expressing will of citizens! But, is it only? Does so small group of citizens such as Montenegro can use more direct way of expressing their interest?

Is it necessary to have a party politics at the level of municipality, or the interest of individuals at that level could be expressed more directly? Is the construction of bridges and other infrastructure in municipalities so much important political decision of the main board of any party? Do not we in Montenegro already do not have presidential system in municipalities? How are chosen mayor and his team?

How to executive power release from current politics and political parties? How to release from current situation that it is more worried about equality then about freedom? How to give it mandate that in 4 years shows what knows, without the fear from the angry of political

parties, recalls and new before-time elections? How to separate legislative from executive power? How to separate executive power from political parties?

President chooses Presidential cabinet- and every member of cabinet does not have to be from the ruling coalition. President does not have fear from the Parliament. On this way we increase responsibility of executive power that is President. He is responsible by his second mandate!

On my opinion in that situation we decrease level of obstruction, and politics became less important for people! In current situation when we always have possibility of extraordinary elections, it is more spoken and thought about politics, then about production and real everyday problems. We should not forget about costs of elections (few millions of euro).

That means that President is chosen on the direct elections. He receives big power, but also the responsibility. He forms his cabinet. Who will be in his cabinet, depends on him, on not of political party. In the cabinet he can have members from other political thoughts. President takes responsibility! He is responsible by his second mandate!

Implementation of presidential system is a chance that on that concept we do reform of state administration in Montenegro! I do not believe that on the current concept of political system we can have reform and modernization of state administration. All those trying to have smaller administration and to have current concept of political system is try to get out of live send: as more as you promise decreasing of administration, it groves! Presidential cabinet would be a chance to modernize Montenegrin state bureaucracy! Cabinet should not have more then 7 members, even less. For example, members of the Cabinet could be:

1. President of the Government
2. Deputy President and Minister of finance and economy
3. Ministry for health care and social development
4. Ministry for education, science and technical development
5. Ministry for sport, culture and art
6. Ministry for international relations
7. Ministry for safety

We should not forget the presence of regulatory bodies and agencies, as well as expert bodies. As it can be seen, role of Government is moved from economy to „non-economic” areas, toward the development in some areas in which Montenegro can have much more then now and toward areas that will save and develop out cultural authentic. Saving of our authentic (difference) in the process of globalization (uniform) is important economic recurs!

Understood, all decisions about implementing should be done by presidential system!

That is, they should make a decision that consciously limits their power!

That is the reason why in this moment this idea does not have a chance! But it is live idea!

From my experience of creating and implementing ideas, I know that ideas are like water: when it finds passage, it spreads it! And this idea already went into heads, not only ones that are in favor of it, but the opponents also! That is the reason why it has future in Montenegro!