Why Doesn't Capitalism Work in Croatia?
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DOI: 10.36347/sjahss.2020.v08i04.006 | Received: 15.02.2020 | Accepted: 03.03.2020 | Published: 14.04.2020
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Abstract
The paper will analyze all geo-economic, geopolitical and geostrategic forces that influence the unfavorable development of the republic of Croatia. The republic of Croatia is lagging behind the development of all other eu member states. State interventions in many economic sectors (transport, agriculture, energy, shipbuilding) do not produce any positive results and destroy Croatia's competitiveness. Numerous crypto-communist public officials and the Croatian catholic church are campaigning very aggressively against market capitalism.

Keywords: Croatia, Marxism, capitalism, Catholicism, trade unions.

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INTRODUCTION
Croatia today, is surrounded by hostiles in a geo-economical and geopolitical sense. Croatia has a premium geo-economical and geopolitical position in within the European union and in the Mediterranean, but it is barely utilizing its resources, rather not using them at all due to the never completed political and economical transition and due to the overall incompetence of the political elite to introduce genuine reform. A thorough reform (economic, political and religious) has the potential make Croats a regional superpower in Central Europe. With the lack of these reforms, the neighboring hostile countries with its clear territorial, economical and political aspirations will do whatever it takes to make Croatia the least developed country in the EU. The strong presence of crypto-communism in the society (the Marxist union and the lagging catholic church) are inhibiting the fast progress of the Croatian nation which continuously fails to meet its destiny, that is to be the regional power of central and southern Europe and the Mediterranean.

METHODS
Participants

Historical method means a procedure by which various documents can be used to find out what has happened in the past and the course and causes of a particular event. The inductive-deductive method is used in explaining established or discovering new insights and laws, proving the set points, testing hypotheses and predicting future events. The descriptive method involves the process of simply describing facts and objects in nature and society and their empirical validation of relationships.

GEO-ECONOMICAL AND GEO-POLITICAL POSITION OF CROATIA

The Croatian – Hungarian political relations were extremely good, a partnership alliance from the very beginning of Croatian independence, up until the business differences involving their major oil companies INA – MOL. Hungary has an outstanding geo-transit position in Central Europe, a highly developed transport infrastructure, a powerful agricultural industry and one, very powerful international energy company MOL, which is the strategic backbone and basis for establishing an extremely powerful geo-economical position for Hungary in Central and Eastern Europe. In that context, we must take note of the Hungarian PM Viktor Orbans remarks regarding the status of the Hungarian oil company: “Should anyone question the integrity of MOLs employees, we will always respond. But whoever is making an alliance with MOL is making an alliance with the Hungarian people”. We can say that MOL is the most important geo-economical instrument of Hungary’s national politics. Hungary as a state has 24% ownership of the company [1].

In the geo-economical sense, Budapest is Croatia’s biggest rival, as it controls Croatians largest energy company INA. The entire process of privatizing Ina is shady at best, which is supported by the fact that an investigatory committee had been formed to investigate the details of the transaction, and the fact
that Croatia’s former PM, Ivo Sanader, had been arrested and charged for accepting a bribe from MOL, and since Croatia had begun arbitrary proceedings against MOL. Evidence has proven that MOL has shortchanged Croatia for 6.2 billion USD based on which it is not possible to accept the position that MOLs taking over of INA had a positive impact on Croatian Economy. This is shown in the study done by US consulting firm AT & Karney and Oil 6 Gas Consulting which has proven the consequences rendered of MOLs taking over of INA [2].

Prior to its taking over of INA, the Hungarian conglomerate had not a single one gas station in south-eastern Europe, Hungary’s total reserves of hydrocarbons were lower than those of Croatia, and at the time the production of oil and gas in Hungary was just slightly higher than in Croatia [3]. Today, the ownership structure shows that Mol owns 49.08% Croatian government 44.84% and institutions and private investors have 6.08% ownership. In 2002 INA group was employing 15 699 people, and on December 31 of 2012 that amounted to 10 782 [4].

The Croatian government is seeking to revert the negotiations to a time prior to the corrupt actions of the former PM Ivo Sanader, Budapest is refusing to do so. This puts Zagreb in a completely subordinate position where Hungarian politics illegally influences all energy processes in Croatia. It is interesting to point out that the Croatian government was lead by economies of scale while undergoing this merger between INA and MOL, the biggest one in Central and Eastern Europe, which will enable the company to sustain and thrive in the ever-growing and competitive free market. MOL had presented itself as a strategic investor, rather than a financial one and as such they had not sought a return on their investment, but rather focused on the synergy the merger would bring such as partnership, logistics and most importantly the geographical overlap in areas of interest [5].

For it 49.08% of shares in INA, MOL had spent over 105 billion USD and in return they have obtained Croatian complete oil and gas reserves, and a de-facto monopolized the Croatian market in refined oil. MOL has successfully transformed INA into a small regional company which has no potential in further strategical development. It is also important to point out that INA not only didn’t get back its 193 gas stations in neighboring Serbia, but the market of former Yugoslav republics was had feely been given over to its “strategic” partner and shareholder which had a detrimental effect to the rest of the shareholders.

Energy today is a matter of national security and it is more important than ever. The importance of the energy sector is vital for the prosperity of any nation and Croatia is no different. The cost of energy influences the overall industry, the living standard of citizens, especially because of the influence of prices on transport and heating costs.

MOLs vision is to position itself as a leader from the Baltic to the Adriatic, meaning they need to position itself on a market of 120 million users. MOLs ambition is fueled by Budapest and to them the ends justify the means. The Hungarian geo-economical and geopolitical offensive in central and eastern Europe is comprised of 3 elements [1]:

a) Strengthening the MOL group in the region,
b) Providing all ethnic Hungarians residing outside of the country with Hungarian citizenship,
c) Soliciting political and cultural autonomy for all Hungarians residing in Slovakia and Romania, all this combined is resulting in a genuine state of war on a small geo-economical scale.

Croatia has no specific reply to its powerful neighbor which has significant influence in central Europe. Budapest is the regional leader of the political Multi-city countries association (comprised of Slovakia, Check Republic, Poland, Hungary), it also has a powerful strategic alliance with Israel and the Russian federation. Budapest also has close ties with the US due to its geostrategical role in NATO.

Croatia also has problems with other neighbors. It shares a border with Bosnia over 1000km long. The 2 countries signed a border agreement during the former presidents Franjo Tudman and Alija Izadbegović. The treaty had been ratified by the Bosnian parliament but not by the Croatian, because the Region surrounding the City of Neum, Bosnia’s only costal city, is in dispute. Subsequently Croatia discovered documents that give it ownership over additional 2 islands, Veli (big) and Mali (small) Škoj as well as the tip of the Klek peninsula. And where Croatia meets Bosnia at a point near the river Una near Hrvatska Kostajnica is also in dispute, although originally, these territories were given to Bosnia in the treaty. Construction of the Pelješac Bridge should not pose a problem as Croatia assured BiH that the bridge in no way will intrude on their sovereignty. Since 2002, there is a temporary regime in place around Prevlaka where Croatia borders Montenegro, the border is drawn next to Konfin in a way that the land belongs to Croatia, the sea next to the left bank of Prevlaka is considered a “mixed zone”. With the onset of Croatian independence 1990/91 Croatia had a stable relationship with the Republic of Slovenia, however, there are several unresolved issues; The maritime border in the Bay of Savudria, The Nuclear power plant Krško, Bank of Ljubljana, all culminated with Slovenia’s blocking Croatia’s negotiation to join the EU in 2008.
Extremely delicate are the Croatian-Serbo relations caused by the Serbian aggression that occurred 1991 – 1995. Croatia and Serbia have territorial disputes in defining borders. Croatia call upon former Yugoslav boundaries. According to those records, Croatia has 11,500 acres on the left “Serbian” part of the Danube, whilst Serbia has 900 acres on the Right “Croatian” side.

The current Serbian government is carrying on with its grand Serbian politics from the 90s. a strategy to maintain and strengthen relationships with the mother state and those people living outside of it, and strengthening ties with the mother states and other Serbs living in the region [6].

Serbia is using this document to destabilize other countries in the region, particularly Croatia as its main competitor. The strategic aim of this document is to destabilize neighboring governments, entice riots and displeasure and weaken charges against Serbia. Ivan Zvonimir Čičak, Chairman of the Croatian Helsinki Committee for Human rights Claims the President of Serbia, A. Vučić to be an dangerous man which will cause a bloody war [7].

The Croatian EU membership murmured the Italian territorial aspirations towards Croatia temporarily. However, with the strengthening of Mateo Salvinis fascist ultra right wing, Italy is becoming a factor of instability in the Adriatic. Their hardened political provocation in Trieste happened on the 100th anniversary of the day one of the founders of fascism, Gabriele D’Annuzio marched his paramilitary of so called Black-shirts on the City of Rijeka. It was on this day his statue was ceremoniously unveiled in Trieste’s PiaZZi de la Borsa.

One day before, Italian neo-fascists sprang up the flag of the Italian Kingdom on the Governess Palace in Rijeka, and on the façade of the Croatian Consulate in Trieste, 3 young men pasted provocative banners quoting D’Anuzzi, that whole of Italy is asking for Rijeka to be reinstated with the Italian motherland. Neo-fascists tried entering Croatia via private jets, but they were stopped by the local police. In all this time, Official Rome has note distanced itself from these provocations [8].

**MARKSIST UNIONS OF THE PUBLIC SECTOR AND KRIPTOCOMUNSTS**

Marxist like minders that comprise the unions of the public sector, which s one of the biggest pitfalls in serious open market reform, and at the same time the biggest inhibitor of economical progress of Croatia, are frequently in a primitive, vulgar and very open media offensive against individuals, politicians or entrepreneurs, that would like to transform Croatia into a faster growing economy. As soon as someone issues a statement about a positive market economy, labels and declarations are in no short supply: “a representative of the 1%”, or that “Croats are salves to the entrepreneurial mindset”, “the great transformation heist”, “budget cuts”, “layoffs” and all sort of similar social-populist comments emerge. Croatian citizens today are hostages to enormous spending in the public sector and they must adhere to the hardliner unions, because those unions in the public sector are no better either. The Syndicates in the radical-marxist group couldn’t be bothered as they care about nothing else then obtaining more and more money from the government, the money can always be taken from the rich and the country can always take out more unfavorable loans.

The union hysteria reached its peak in 2014 and 2015 when the militant unions of public, mostly government officers, started a media frenzy under the motto: “Citizens, make a stand against the biggest plague after the war!” Trying to organize a referendum that would prohibit excluding of technical personnel from the Croatian public sector which is ranked among the worst, or least efficient in Europe.

The intentions of the Croatian government caused great resistance amongst union members working in the public sector. Their main premise was that there was a new privatization heist which was in play, that it will not result in any savings, but just inflict damage to the people working in the public sector. The immense understanding and distrust of national political parties, government officials, university professors resulted in active direct propaganda of ant capitalist views of view, and they held the nation deeply in the neo-Yugoslavian communistic trench. Thus, the new president of the Croatian left wing party, Dragan Markovina, states that Croatia should firmly stand up against capitalism [9], all not realizing that capitalism in Croatia exists as state-owned capitalism because the government is controlling most of the economy because the majority of the enterprises are state-owned. This is precisely why the Croatian people are poor, because capitalism exists, although poorly and not in sufficient quantity.

New public management is croatias strategic interest. New public management, or management of the public sector does not begin to questions its existence, but it supplements it with a new dimension emphasizing efficiency. One of the new elements in new public management is outsourcing, and with implemented independent processes, the new public management should have the following 3 goals [10]:

- Improving quality of service for the end consumers – Citizens of Croatia
- Reducing costs in the overall budget expenditure of Croatia
- Developing of the free market and free market economy
The key of new public management is to, at least partially, incorporate management principles from the private sector to the public sector. It is closely tied to the use of various tools, standards and methods to measure quality in public service. The most commonly accepted norm is the ISO 9001 which measures the level of quality in both the public and the private sector. Other tools worth mentioning are the Common Assessment Framework (CAF), Balanced Scorecard, and the EFQM model under the European Trust for Quality Management. Also, the Standard Cost Model (SCM) is used for measuring public administrative expenditures of the business sector. All of these tools and examples can be used for a more efficient management of business process to reach a higher quality. Measuring of a process is vital because only then it is possible to establish and ensure quality with emphasis on the reform of management. For these reasons it is important to raise awareness on the importance of their implementation in public administration, primarily due to the fact that only a small portion of the Croatian governing authorities has a certified quality control system in place to ensure adequate level of service is provided. The New public management should be laying the foundation for proper implementation of article 49. Of the Croatian Constitution which stipulates that an entrepreneurial and free market economy are fundamentals on which the Croatian economy is based on. It is in the strategic national interest of Croatia to segregate non-fundamental activities from education, health and all other public sectors. The Croatian public sector as a whole, and its non-fundamental activities are extremely inefficient [11].

It is not possible to increase the effectiveness of public services, unless those same public services deprive themselves of meaningless side jobs reliant to their own business model and independent business logic. These activities present a variable expenditure to the public sector which can easily be managed from an aspect of a free market economy. If an enterprise for example uses a hospital to manage its side jobs, and those jobs become the core business it is safe to assume that those operations within the hospital will be lead by experts with increased efficiency. In all countries which have outsourced non-core operations from government institution, and this process which is called facility management has happened in all evolving European economies over the past decade, has played a key part in economic growth and development. Today the facility management sector within the EU generates over 130 billion Euros of income, employs hundreds of thousands of people and has an approximate growth of 10% annually which was not diminished despite the ongoing economic crisis of 2008 [10].

Without capital foreign investitures Croatia’s resources are extremely limited, lack of focus of the public sector has lead the country several times to extreme deficit and overwhelming public debt. The value added tax (VAT) which is entirely reverted to the state (it is not part of an enterprises income) disputes claims of marksistic unions which stipulate that it is more cost effective to have these services in house, because outsourced companies will have to increase their cost by VAT amount therefore no savings can be made.

Most crypto-communist officials and Marxist unions fail to realize that the public sector in Croatia represents a strategic point of advantage from all economical aspects, regardless of it being part of a deeper structural reform of the government or just less intrusive and limited measures of the governments economical policy. Just how challenging, resilient and politically complex this problem of decreasing expenditure in the public sector can best be seen in countries that were generally overall ranked very well on their transition and have managed to integrate themselves into the European and Euro-Atlantic alliance. Without restructuring the Croatian public sector, lowering public expenditure in a way that unburdens the private sector of taxes, it is not possible to increase the competitiveness in the Croatian private sector which diligently fulfils its obligations in a way that in fills the Croatian national budget [12].

The reactions of militants Marxist unions were unseen before, the furthest of which has been by the union of Croatian Public Employees which over the past 15 years actively combats any reform of the Croatian public sector which is the least efficient in the EU. Thousands of websites appeared to expand anti-capitalistic propaganda and hysteria which is entirely opposite to Croatia’s state and national interest. They gloated while publishing on-line that they petitioned 624000 signatures against outsourcing in the Croatian public sector, and threaten an overall strike unless an unconstitutional referendum against outsourcing in the public sector is called for [13]. The proverbial “cherry on top” comes form a union named “Rebirth” which stated: “This is the work of a Satanist alliance between on top” comes form a union named “Rebirth” which stated: “This is the work of a Satanist alliance between aim at the interest of the workers, and outsourcing would bring to lowering of wages and mass layoffs and the unions cannot trust neither the government nor the employers [14].

The voice of reason among these crypto-communist activists was the Croatian Supreme Court.

The Croatian Supreme Court declared the referendum on segregating non-core activities in the public sector unconstitutional [15]. The Supreme court argued that the referendum was intended to safeguard partial interests of a single group of individuals employed in the public sector and that it would inhibit the Croatian government or parliament many future interventions to the existing model safeguarding workers rights.
“The referendum was intended to preemptively ban any potential future changes to the existing status of workers’ rights concerning those performing supportive functions in the public sector, and in doing so safeguard their particular interests. Instead of finding a way to align those rights with the overall interest of public administration, the legislative organizational committee proposed large scale bans which in protecting these interests, would be in clear opposition to the fundamental logic of a free functioning democratic country.” As explained by the Supreme Court.

The Supreme Court warns that such bans would limit or inhibit changes which would in turn lead to lack of progress in undertaking the necessary economical, social, political and administrative reform. They emphasize that the Republic of Croatia is a parliamentary democracy and the elected government has the exclusive constitutional authority and commitment to propose the state budget, guide and oversee the development of the country’s public sector and administration, and care for the economical prosperity of the country.

“Proposed bans would have a direct impact on the exclusive authorities of the government and parliament in regards to the state budget”, as was warned by the supreme court, adding that it is not in their jurisdiction to judge the appropriateness of the possible solution for the public sector and that this authority lies strictly within the domain of the political government.

“If this were the case, that such a lad had been passed by the Croatian Parliament, for the same reasons the Supreme court would override it due to the fact that it would be unconstitutional” is also stipulated in the court verdict.

The union of public servants is also known for not adhering to the rule of law. The first reform of the public sector was implemented in the Croatian Department of Transport in 2003. The Union had raised several charges against public officials for outsourcing several supporting businesses out of the public sector. After these charges had been dismissed by both the Administrative and Supreme Court, the state attorney and the police, the union made the next step and embarked on a more extreme campaign against public reform, accusing all judicial and police entities of conspiring against the union of workers in the public sector [16]. Expected benefits of outsourcing supporting operations as estimated by the Croatian Association of Employers [17]:

1. Reduction of cost in the public budget by 10-30 % in the first stage
2. Increased quality of services provided by implementing quality control systems ISO 9001, 14001, 27001 et sim.
3. Investments from the private sector at roughly 100 mil Croatian Kuna
4. Employee retention, optimizing business processes and ongoing investments in human resources
5. Effective property management.

A key point of new Croatian politics should incorporate “doing away with monopolizing in the public sector” as monopole diminishes all creativity and talent in Croatia, inhibits new product development and perfecting of existing products and/or services. De-monopolization should be implemented regardless of the fierce resistance by the crypto-communist forces in Croatia.

At the end of 2019 (15/10/2019) the union of public officials threatened yet another strike. The unstable Croatian government, vulnerable and politically un-credible was an easy target for all those interest groups in the society that could take it down swiftly; hence they gave in to pressure immediately. The Croatian prime minister decided to meet all the demands of the unions, a 6% increase of salary, but he gave up on the idea of lowering the 25% VAT. Lowering the VAT from 25% to 24% transformed into currency sums up to about 2 billion Croatian Kuna which would remain in the private sector and contribute to economical growth, development and employment. The VAT income is on a spiraling rise. last year alone, compared to the year before the government collected 4 billion more, an in lowering the VAT the government would “loose” 2 billion, although there is ample room for lowering the VAT. Over the last 10 years, income from the value added tax is estimated over 10 billion Kuna.

All of this was not enough for the government of PM Plenković to make a decision to lower the VAT for even 1%, let alone revert it to its original amount of 22%. The increased wages in the public sector announced by PM Plenković, which was estimated by the finance Minister Zdravko Marić, will cost an additional 1,2 billion Kuna. Even before this announcement, the cost of wages was growing. Over the past 3 years, the cost of people employed in the public sector grew over 15%. Social benefits for the unemployed in 2015 amounted to 36,42 billion Kuna and in 2018 they rose up to 41, billion Kuna [18].

In its 30 years of independence, there has never been conducted n integrated analysis on how much taxpayer’s money had gone into various grants and supports, bailouts and so forth. No one even asked the question what are the effects of these measures. Croations have again, in august 2019 experienced the collapse of one of its mayor and highly ineffective shipyards Uljanik Pula, which maintained the illusion of a supposedly prosperous Croatian county Istria. In this chapter we will aim to to give a brief overview of the
billions gone down the drain due to inefficient business systems which stand u to reform curtesy of Marxist Unions and the Inapt and incompetent Croatian political elite.

Table-1: Unsuccessful Croatian grants / bailouts

<table>
<thead>
<tr>
<th>COMPANY</th>
<th>Unsuccessful bailout in billions of kuna</th>
</tr>
</thead>
<tbody>
<tr>
<td>CROATIA AIRLINES</td>
<td>1 BIL.</td>
</tr>
<tr>
<td>CROATIAN SHIPYARDS</td>
<td>39 BIL.</td>
</tr>
<tr>
<td>CROATIAN RAILWAY CO</td>
<td>10.5 BIL.</td>
</tr>
<tr>
<td>CROATIAN BANKS</td>
<td>36 BIL.</td>
</tr>
<tr>
<td>PETROCHEMISTRY</td>
<td>0.9 BIL.</td>
</tr>
<tr>
<td>CROATIAN AGRICULTURE</td>
<td>41 BIL.</td>
</tr>
<tr>
<td>TOTAL BILLION</td>
<td>128.4</td>
</tr>
</tbody>
</table>

Source: Comprised by M. Šarić; reference to the Croatian National Budget 1990 - 2019

Croatia Airlines: This airline was bailed out twice in the last seven years alone. Debts are increasing and the Secretary of Transport continues to fail in finding a strategic partner.

Croatian shipyards: continues purchase of social peace has had a significant cost to the Croatian economy. Since it became independent Croatia has spent 25 billion Kuna of taxpayers’ money on shipyards, and 4.5 billion alone on Uljanik in Pula. The litigation process against senior management is still under way.

Croatian railroads: since 2005 10.5 billion Kuna have been spent on various grants, and over 20 billion since 1990. The world bank since 2008 is considering to stop a 100 million euro loan from the PAL II loans program. The main reason why the World bank is thinking of withdrawing from this restructuring process is the increase of operational cost in comparison to the total income of the company [19].

The Croatian banking system: 35 billion kuna had been spent on their bailout, and they have then been sold for 7 billion kuna.

Petrochemistry (Petrokemija): apart from the 900 million bailout, there is also a hidden perpetual requirement of cleaning their waste disposal site

Croatian agriculture: the agricultural production continues to drop, and today it has dropped by 40% compared to 2008, despite the numerous grants that have been invested.

The significance for many of these companies that found themselves in a strategic crisis, including all of the aforementioned sectors, is that they have all been refinanced but not restructured strategically. We can even call this a Croatian specific as there is no similar restructuring model in the EU witnessed, which is based on refinancing and the company does not undergo an organizational restructuring and in failing to do so it continues to generate losses.

The majority of the political elite and the influential Marksistic unions that operate in these companies are not interested in restructuring but merely in refinancing. When looking merely at the financial aspect, we can safely say that [20]:

- Intervention of foreign capital on itself cannot solve the problem,
- Credit loans without strategic restructuring merely postpone the process that may ultimately lead to bankruptcy, the best example of this is the Uljanik shipyard.

Croatia has the highest unemployment rate in Europe; investors are avoiding it, and crypto-communists continue to scare the nation with old stories about the irreparable conflict between big capital and work. The class struggle is a communist-marxist stupidity. But why?

Work and capital complement itself in the ongoing globalization. With increased capital technological development and productivity are increased followed by an increase in employment and wages. Multinational companies that invest in a particular country lead to an increase in jobs for people of diverse qualifications (best example is the Slovak auto industry).

Hence, the more capitalist employers there are conditions improve for the local population and the community. Entrepreneurs recognize the opportunity and chance to realize their idea and create an added value for society and the country and they are the ones that give others the chance to work. Entrepreneurs are the ones paying taxes without which there is no country.

Employees in developed economies and liberal democracies enjoy a high living standard and decent salaries, not because of various unions or rigid governmental regulations, but because of an accumulated amount of capital and competition amongst employers and big capitalism. The unemployment rate at in economically liberal countries is far lower and the average salary is significantly higher because the level of economical and personal freedom in those countries where big capital “rules”
such as UK, Canada, Australia, Netherlands, Singapore, USA and so on are significantly higher compared to those countries where public service unions, and rigid state legislation are safeguarding citizens against in just capitalists like for example Croatia, Greece, Venezuela, Serbia and so on. Crypto-communist activists never asked themselves why the young people are leaving Croatia and migrating to countries with developed capitalism and democracy, rather than moving to Russia, Serbia, North Korea.

It is a fact that capitalism leads to inequality. Capitalistic states are rich and they will remain rich, others are not and they will remain poor. There is far more literature arguing against capitalism, especially in communist-socialistic countries. Although, they have as EU member states benefited from the free-market framework which is dominant in the EU, however there are still amongst “intellectuals” many critics of capitalism and event of basic human rights, especially in neighboring Poland and Hungary. Capitalism is full of flaws, bit it has yet to vanish, disappear and be forgotten!

Many nations owe their development to capitalism due to the liberal democratic and capitalistic values. We can rationally compare North and South Korea, West and East Germany. We can also make a rational question where would Croatia be today if it were not for Communism and the ruminants of the hardened socialism. Of course that the crypto-communist unions and their followers are not interested in this question. They are not interested in unburdening the private sector, they are not interested in liberating and deregulating the market and how to make it easier for companies to function by doing away with unnecessary taxes.

With the increase of government repression, the private sector is weakened, hence lowering the number of those the government would be able to plunder for their hard earned property with a single goal, to finance the enormous socialist bureaucractic apparatus. Which the private sector is smothering, the public sector continues to expand. Public service unions are for a while now fighting against making it easier to conduct business, development and further hiring, and they are the first to advocate for finding new ways of taking money from Croatian taxpayers. They respect no one, the least of which they have no regard to those creating added value.

This is precisely why today the wealthiest and most developed societies formed their institutions in accordance with capitalistic values and without the influence of Marxist unions and crypto-communistic state officials, while the least developed and pore ones are those where there were not even inklings of capitalist institutions, where socialism and communism and all of their derivatives are predominant. In west European countries an institutional fame has evolved which allows that people with an inherit need to fill their interests and benefit the rest of society are able to do so while functioning towards the overall prosperity. It’s a fact that most western countries today resemble more and more to a sort of socialist experiment (due to strong socialist movements in Spain, Italy, France) but for these countries it is important to understand that they accumulated their wealth while they were predominantly liberal economies.

Yugoslavia fell apart mainly due to grand-Serbian nationalism, but Yugo-nostalgia continues to live on regardless of the horrific devastation of Croatia and the Croatian people during the civil war. Yugo-nostalgia enticed by crypto communistic officials, the media, and “intellectuals” continues to fuel illusions how things were better off before. Indoctrinated citizens that spent their youth in the “Golden days of socialist paradise” continue to accept this notion with their viewpoints that evolved in communism, and afterwards in so called “soft” socialism.

Although these illusions have been shattered by the imposed war, and trough the process of globalization afterwards, then trough the Croatian privatization done in the way of “friends and relatives capitalism”, the public continues to nurture Yugoslavia nostalgic values, which leads to a horrific paralysis of all creative ideas in the country.

Here are some tragic facts about the former country [21]:

1. The law prohibits producing and selling bread weighing in access of 800 grams (Narodne novine – National gazette No. 62/82, page. 1505.);
2. The ongoing inflation reached 84% in 1985, and later Yugoslavia broke several records in this area, while the price of essential commodities rose over 104% and more than 70% of the population were making below the minimum wage
3. In 1985 the public debt went over 38 billion USD
4. Yugoslavia ranked number one in its inflation and for the international aid it was receiving

The crypto-communistic agenda has a strong presence in Croatian politics. The Croatian left-winged parties refuse to step away from the communist dictator Josip Broz Tito. Even one of Titos famous ministers of interior Pavle Gaži (92), a right hand in the totalitarian regime in the Socialist Republic of Croatia was granted the title of honorary citizen of Koprivnica [22].

Josip Broz Tito was a Yugoslavian communist dictator of Croatian origin, which enforced Yugoslavian politics that were contrary to the benefit of Croatian
National interests, and completely opposite to a free market economy, fair justice system and human rights. However, his alleged achievements are still being debated today in Croatian politics.

Hrvoje Klasić, a university professor in Zagreb who for the purposes for rehabilitating The cult of Tito is using US presidents at the time and comparing them to the Comunist dictator. All US presidents were democratically elected and accountable to their people who could depose them at any given moment. Tito was accountable to noone, and he had absolute power that manifested itself trough the trinagle of evil (Yugoslavian secret service, Yugoslavian army and the Communist party) and all the citizens of Yugoslavia depended on his good will.

Kasić states that „In Tito’s time, schools and hospitals were being built ... [23] “Yes, everything was being built with borrowed money. Yugoslav economical policy was based on foreign debt and self-governing socialism which generated enormous expenditures that are to this day being paid off by the citizens of Croatia. All those affirmations of prosperity do not last long as soon in the eyes of the report issued by the World Bank on Yugoslavia in 1980, immediately after Tito’s death ranking Yugoslavia with the least developed nations of Africa [24].

An interesting case is with a gazette of the Serbian national minority in Croatia at the time called „Novosti“ – The News, apart from being notorious for their neo-Yugoslavian and Grand-Serbian attitude, they focused on spreading the anti capitalistic climate and hysteria. The gazette accuse capitalism of giving bith to fascism without taking into account the cyclic movements on the market [25].

Capitalism puts personal creativity, prosperity and development to the service of mankind, to the service of one’s nation and country while respecting and encouraging innovation, that impressive factor that marks the difference in how we live now compared to how our ancestors lived prior to the 20th century. Innovation is spread in the free market capitalism, they transformed humanity in a way not limited to just scientific and technological, but extends to government and institutions.

New companies, of their own free will coordinate the working efforts of a large number of people thanks to capitalism, liberal democracy and IT which emerged in the most liberated layers of society.

Capitalism refers to a legal, socio-economical and cultural system which accepts equality and “talent oriented careers”, and it also incited decentralized innovation and “trial and error” methods which the economist Joseph Schumpeter titled “creative destructions” – trough the process of free market trade.

A well defined and legally regulated system does not encourage inequality and corruption, but rather it celebrates the entrepreneur, the scientist, the risk taker, innovator, ultimately, it celebrates life, it celebrates every day, because every day is a chance for victory and success [26].

Although philosophers (predominantly Marxist) which themselves respect materialism, attribute it as materialistic, Capitalism in its core is a spiritual and cultural undertaking, why? Because all talents within a person (and every person has a talent) can be explored only when free and liberated. Freedom on earth is a liberal democracy and the right to legally regulated free market capitalism, healthy competition of talents, and not making a divide, malevolence, lack of willpower, and indifference.

Modern markets are not merely a place where goods are traded like fairs were before. They are characterized by waves of “creative destructions”; what was new 10 years ago is old news now (particularly in the wake of globalization), superceeded by improved visions, new devices, institutional changes, new technologies and ways of interaction that were inconceivable before. This is what differentiates modern markets from old trade fairs, this also makes the difference between modern technologically dominated societies and communication technology with old pre-information technology societies [26].

Capitalism is not a form of disorder as Marxist intellectuals explain it to the “objective” general public. It is a form of spontaneous disorder derived from a process. To avoid confusion and ambiguity about the term “capitalism” as being used by socialist intellectuals, the term should be divided into “free-market capitalism” and “partial-family capitalism”, a system that has put too many countries into arms of corruption and downfall, a mere look Latin-American countries can serve as example.
politics in the form of friends, family or strong support of politicians. In other words crony to someone powerful, and they have obtained their wealth not by providing or creating added value, but by utilizing privileges that the country provides at the expense of other citizens and the overall society.

Hatred towards the rich has no point in itself and servers no purpose neither to the rich nor the poor. The idea of crypto-communist revolutionaries (Živi Zid, Orah, Unions of Public Servants) is to overthrow the rich and allocate their wealth to the poor. A particular group of people certainly looks at this as a rational form of progress and social and national prosperity. However, if we take a look at the society as a whole, not everyone can get wealthy in this way. Some would get their wealth before others, and if we were to wait for everyone to obtain their wealth simultaneously, no one would ever achieve this goal.

Animosity towards the rich I unjustified and pointless because the poor will accumulate wealth only if and when everyone will have the right to do so, meaning when someone’s work will not be inhibited, when the right of private property will be respected, when everyone explores their talent fully and without limitation. For this to happen a regulated form of capitalism is required, human rights should be respected and a solid education is paramount. A society where an increasing amount of individuals think getting rich is possible is a society that can make this happen, Ireland is one of the shining examples of this.

In the past, Ireland was the biggest exported of labor and people in general, a small depressing and isolated state with poorly eructated population. That was beneficial to the USA and Great Britain as they were the ones accepting the majority of immigrants who left their homeland due to poor living conditions. Only 30 years ago Ireland was caught in the trench of poverty and 3rd world countries, one the least developed countries in Europe even worse off than the former SFRY. Today Ireland has managed to superceed even Great Britain, its former colonial master in then income per capita, and has positioned itself as modern player on the European market. Can Ireland be a role model for Croatia?

Of course it can. A strong political will is required to change the soul of the Croatian nation, which is why politics of economy are there for, not reverting the society into the dark ages (referendum on marriage, failed referendum on outsourcing, and the halted referendum on prolonging the retirement age).

According to the world bank, the Irish GDP jumped from 3,2% in the ‘80s to 7,8% in the 90s. Ireland now has the 8 largest GDP per capita in the world while the UK ranks as number 15 [27]. By opening itself up to foreign investments (including risk capital) and by promoting financial services and information technology, Ireland has experienced a return of young people to the country. These young people are returning because of new opportunities and newly opened economical freedoms. They are an example of entrepreneurship founded on knowledge and innovation; they create wealth and prosperity not just for themselves, but for the US and for the rest of the world. These people are a living testament how poor government politics can change to benefit new economical development which dramatically stops immigration of people out of the country. The most recent example Croats can use is the close by Republic of Slovakia, over 40 000 Slovaks have returned to their country due to the thriving investment climate, stability of finance and access to the EU market [28]. Slovakia prepared itself very well (Member of OECD, Euro zone, EU, Schengen, NATO). In their book “Why nations collapse” (2014) authors Acemoglu and Robinson ask a simple question, but the main question is: why some nations get rich and some remain poor? Their answer is just as simple – because some political systems evolve more inclusive political institutions that enable the function of a free market economy, a regulated justice system and protection of civil rights.

FEUDALIST FUNDAMENTALISM OF THE CHATOLIC CHURCH

To us catholic’s, the values of socialism, when purged from Marxist and communistic ideology, are better aligned with our own, rather than capitalistic ones, as stated by fra Špiro Marasović, rector of department for moral servitude in Split. This statement explains the entire doctrine of the Catholic Church in Croatia. Meaning Croats are not only exposed to crypto-communistic propaganda trough mass media, left wing associations and independent intellectuals from state schools, the university of Zagreb in particular, but also trough institutions of the Catholic Church in Croatia as well.

The Croatian Glas Koncila (2015), a gazette issued by catholic fundamentalists under the control of Vatican, often promotes lies against free market capitalism and liberal democracy.

One of the issues brings an article titled: “Free market economy as the new religion”, where Tonči Matulić , the dean of the Catholic college in Zagreb and one of the most influential theologists in Croatia is quoted, and is spreading anti capitalistic and in fact hysteria against the country , which is in complete contradiction to national interests including the following: “Capitalism, and its modern neoliberal technical derivative, gave way for modern globalization which grinds people in its way forcing them to be socially marginalized. Due to high numbers and resilience of people pushed on the side, the signs of social divide more and more visible based on social inequality”… “Social margins are becoming a
battleground between the riches demands of the outcaste and humiliated on one side and the unjust system where money and profit are the new deities and free market economy has transformed into the biggest religion the firmly believes in competition and the predominance of the strong over the weak, and in economical growth at the expense of others, sacrificing dignity of families and a particular family” [29]. Unfortunately, Croats have no idea what reforms truly are, including reforms in the church.

Unlike protesters who created the modern liberal world which the west enjoys today, Catholics were enclosed in themselves, particularly Croatian Catholics. Most theological choices in Protestantism particularly favored liberalization and contributed to today’s definition of modern society and state. Whilst Catholicism discarded the modern world from the very beginning, including its liberal point of view, protestants oppositely accepted the modern world and its liberal values.

Calvinism, a protestant form is particularly responsible for shaping modern political nations. Political Calvinism gave rise to Hungary, Switzerland, the Netherlands as high as possible, while Croatian Catholicism was isolated from all things modern.

Many still believe today that the wealth of Switzerland has everything to do with Calvin’s teachings. On the website swissinfo.ch there is an interview with Xavierom Comtesseom, former CEO of Avenir Suisse. According to him Switzerland is intertwined with Calvin’s teachings, starting from bankers’ confidentiality, all the way to progress and emancipation. A monks life as a means of justification before God, promoted by the Catholic Church, is not just worthless, but also selfish and harmful because it abandons duties of this life. Contrary to that, the hard work proposed by Calvin depicts love towards others and towards God as well [30].

The reason why the Catholic Church in Croatia wants to stop reform against poverty is because it goes against evangelical teachings. According to the catholic portal quovadiscroatia.com: “doing away with poverty is often cited as a goal by the modern and liberal West, some politicians even declared a war on poverty, and this term is so imprinted on the minds of westerners that it is undeniable. It has become the fundamental way of thinking for almost every person (and organization) in the western world. Form simple religious people that care about the poor, to the majority of secular humanists that are prone to utopian visions. Poverty is an enemy that must be destroyed!”

The only problem is that it opposes evangelical teachings! And then continues in a threatening tone: “I imagine the expression on your faces, it may be uncomfortable for you me mentioning this, so I will share a quote offered by cardinal Robert Sarah, because it points out a vital difference we must share. His stamen may shock you but I urge you to read it because there is a vital difference. Not only do evangelical teachings depend upon it, but so do cultures and lived of individuals around the world. Truly, in the name of getting rid of poverty, the worst forms of western arrogance come to show. This arrogance soes not see that it is willing to getting rid of the poor themselves and everything they hold dear in the name of their “noble” cause. As ultimately deduced by quovadiscroatia.com [31].

Another web Bitno.hr [32], close to the catholic church in Croatia is also actively advocating poverty, it propagates: Should poverty be dealt with? And it categorically claims NO, and continues to explain why many Croatian priests that are a continuous source of scandal for the Croatian public and do not stop fighting against any form of progress in the society. The retired military priest shocked the general public in claiming that “the flesh of aborted children is used in production of the most luxurious perfumes”.

Amongst high-ranking church officials giving scandalous statements is the bishop of tow of Sisak, Vlado Košić. In 2017 he declared that the young people moving out of Croatia are deserters [33].

“Our young people that are moving out of the country, could significantly improve the way of life if they were to remain. Today it is a modern trend to move out of the country, so we might call it desertion even. We must ask ourselves if progress is made possible for young people in the country. However, the ones deciding on this are only thinking of themselves”. Bishop Košić of course is not interested in the fact that young people do not want to live in poverty, they simply do not want poor government politics to destroy their lives.

Catholic and the Orthodox Church see capitalism as the root of all evil which must be fiercely fought against. A great Croatian patriot and scientist dr. Mijo Mirković says the following on Catholicism: “A static, formalized Catholicism with the Slavic people comes into conflict with education, philosophy, strive to progress, national and social opinions” [34].

Political and religious differences between the catholic and the protestant influence the development of a society and a country, hence the national and country’s identity. Liberal Protestantism was one of the driving factors in shaping the modern world, hence it has spread swiftly, especially in the areas where liberal capitalism has progressed such as the USA, England, France, Sweden, Finland and other countries that enjoy wealth and prosperity. In that sense protestant liberalism wants to be a creative incentive and theological follower for modern development. The
powerful Marxist ideology and all of its derivatives could not accomplish anything and stop the liberal civilization, founded on protestant liberalism, in its rise and spreading because it brought the most prosperity and wealth than any other civilization in history known to mankind [35].

The Croatian people never had the strength to found their own church similar to the progressive Scandinavian nations (Danish, Finish and Norwegian people’s protestant church). The relationship between the Vatican and the Croatian Catholic Church dates back over a thousand years, but Vatican sided with Croatia only once, thanks to the Polish Pope Karol Józef Wojtyła which advocated for the churches official recognition of Croatia as an independent state.

An import segment of Croatians national entity is out of Croatia’s control and it rarely makes decisions that are in line with Croatians national interests, and that is the official Vatican and its outpost in the country, the Croatian Catholic Church.

Roman dogma is a dark prison where many sensitive people suffer and decay in pain; it is a tight net spread across ones entire lifespan [34]. The Catholic Church feminizes many nations, and it has turned Croats into obedient servants that are not able to thrive in business, in love or sexually. That is why depression is strongly present amongst Croatians [36].

In recent history, the Croatian people have suffered 2 noticable humiliations from the Vatican:
1. The Vatican ordered the Catholic Church in Croatia to inarguably Dalija Convent to the Italian Benedictine order, even though they have no legal right to do so, and they have hastily dissolved Bishop Milovac of Istria on the grounds that he did not want to comply and sign such a damaging contract. In merely browsing the headlines of the newspaper (2011-2013) to grasp the scope of the scandal. “Bishop repeats after the Vatican: Dalija goes to Italy, and the bishop to Poreč, to bankruptcy”, “Opatija, Lošinj and Krk are next”, “Priests of Istria call for an emergency session of the Croatian Bishop Assembly”, “Croatia must Change its Contracts with the Vatican”… Under immoral pressure from the Vatican, bishop Ivan Milovac did the noble thing, an between the Vatican’s manipulations and notions of another grand Italy, he sided with the Croatian people to whom he himself belongs to [37].
2. Postponing the canonization of the archbishop of Zagreb Alojze Stepinac. We know that Stepinac was a good man, he is considered a blessed man, but for this next step I asked the help of Inijej (head of the Serbian Orthodox Church) to make it all legal. It is under consideration. First a committee was formed to give its opinion, but now other things are being considered. Things are being studies into more detail in order to give clarity to the truth...” [38].

This was stated by the Pope to the press, in all likelihood lacking other The patriarch of the Serbian orthodox church Irinej, renowned fro its radical positions: “Wherever Serbs live, that is Serbia, be it in BiH, Vojvodina, Montenegro and all other places. May Serbs here and across the world unite and think about the glorious history of our people” [39]. Patriarch of the Serbian orthodox church is the leading counsel to Pope Francis regarding the canonization of archbishop Stepinac.

The republic of Serbia has 2 strategic agendas in Vatican:
1. Vatican will never recognize the independent Republic of Kosovo
2. Stepinac is never to be proclaimed a saint

For now these objectives are being met with both official and unofficial help ov Italian church officials in the Vatican.

Unlike Croats, other Slav nations have reformed themselves (Check, Slovakian, Slovenian people) all experience personal successes on a number of areas. Despite the rigid catholic dogma, reforms in the Check hustism have thus far made a positive impact on the economical and political system of Check, Slovakian and Slovenian Republic that can still be felt today. Contrary to guidelines of Catholicism towards forming opinions, free speech and expression, and education particularly among young people. Huso’s credo – free of taught, accepting ideas of others if they are better. The era of Huso was a golden one Mirković [34].

During the reform, the Check people surpassed all other nations when it comes to education and economy. They claim this position to the very day when together with Slovakia and Slovenia, Check became one of the best developed former communist countries. To compare, in 2008, the Croatian GDP was 12 594 while the Check GDP was 19 508 Euro per capita [40].

What fate awaits the Catholic Church in Croatia? In order to remain a relevant player in Croatian society, the Catholic Church will need to experience a severe shock. Politically speaking, the church should act as “a mother to all Croats” regardless of their religious, political or sexual choice and regardless of where our people live. Only such an inclusive church can act as a guardian of the Croatian nation, otherwise it will be marginalized just like the church in Ireland. For decades, Vatican has treated Ireland as its most trusted ally and an example for many catholic states in Europe.
However, Ireland is no longer the homeland of “convinced Catholics” but rather of “cultural Catholics”. The national, state and personal emancipation of the churches influence is closely tied to the diminishing poverty levels. 40 years ago, Ireland was among the poorest countries in Europe, exposed to strong political pressure from London, and today it rivals Great Britain both politically and economically. Governments and people that are both poor and uneducated, are oblivious to the fact that they can take on the overwhelming Vatican administration that often advocates a policy contrary to the one of a countries national interests (Ireland, Spain, Croatia).

**CONCLUSION**

There are 2 reasons why croatians hate capitalism:

1. Strong influence of Marxist unions of public servants, and numerous crypto-communist activists and state officials, and “independent intellectuals” that never experienced a regulated free market economy and genuine liberal democracy

2. Feudal Catholic fundamentalism which people isolated from modern and global trends in economy, politics and technology.

These 2 factors had a strong influence in making the Croatian nation backwards, without perspective, and making the Croatian people untrustworthy of modern capitalism and society in general.

How can Croatia escape it current situation. First of all citizens must become less dependent on the state, lowering social benefits for those that own significant real-estate and continue to accept welfare and other benefits. Also, to impose the necessity of personal initiative and responsibility towards one’s own economical existence. Companies need to be privatized and the goal of this privatization is to increase productivity of companies, strengthening the culture of entrepreneurship and personal responsibility. Croatia does not need another ideological war, it need economical resilience, and the victory of individualism over socialism and collectivism. One of the main slogans of all campaigns should be “Croatia Liberated from socialism”. A free market is a liberating power more powerful and reliable than any crypto-communism and catholic fundamentalism. Croats, unfortunately are not protestant so they have no protestant ethics: individualism, freedom, self-reliance and responsibility. They should all know that charity keeps people in poverty, and a poor person need help to find his way out of poverty. However, the Irish also are not protestant and they managed to find a way. Croatia should not be a Yugoslavian – Balkan leftover or a random sacristy of the Vatican. Croatia needs a leader that will be immune to the attacks of the clientelist lobby in Croatian society, nor will they care about the primitive attacks of the so called right wing, but will decisively take steps against all those that continuously stop reform in Croatia.

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