

BOOKS REVIEW

THE GLOBAL MONETARY CRISIS AND THE NEW GEOPOLITICAL AND FINANCIAL RELATIONS IN THE WORLD

Dragan Petrović, Slobodan Komazec, *Globalna monetarna kriza i novi geopolitički i finansijski odnosi u svetu* [The global monetary crisis and the new geopolitical and financial relations in the world] Institute of International Politics and Economics, Belgrade, 2014, p. 249.

Institute of International Politics and Economics has published a scientific monograph with its central subject: the explanation of the world economic crisis and the consequences that effect modern economic relations between countries within the global order. This scientific work consists of two extensive chapters, in which the first one is dedicated to emerge of the economic crisis, and its impact and link with the geopolitical relations in the world. The second one describes position of Serbia and the subject of the Serbian factor in general, but is closely linked to the monetary crisis and geopolitical change that occurred within that framework and it also reflects to the Serbian position in the Balkans.

The global economic crisis which had emerged and developed in 2008 had its nucleus and structural causes mostly in the USA and some other Western countries. At the same time, they are mostly struck concerning both soft and hard power. Due to the great importance that these countries have in the global financial order and global economy, the crisis soon spilt over other countries and regions in the world, especially considering the globalised nature of the contemporary world economy and mutual connections within. Authors are explaining the facts on which they drew the conclusion that this economic condition hasn't yet been overcome, but as far as the economic system of the United States is concerned, certain elements of the recovery can be seen (to give an example, the USA had an economic growth of GDP in 2013, which implements the recovery of economy).

On the other hand, not all countries in the world are equally struck by the crisis. Some sort of paradox represents the fact that the leading countries of the EU, Germany and France, in every way are less affected by the center of the crisis than the USA and Great Britain. At this point it must be mentioned that EU as a whole, is suffering an economic stagnation during the recent years, and hasn't achieved any economic growth.

The BRIC countries (Brazil, Russia, India and China), thanks to their enormous indicators of hard power and certain distance towards the neoliberal economy which has resulted from their independence in pursuing their own economies, are hit to a

lesser extent by the economic crisis than the Western countries, especially considering the USA. In that sense, when the consequences that the crisis cause are analyzed, it could be concluded that the economic system of the USA is especially jeopardized in a double way - it reduces the soft power as Neoliberalism was primarily closely linked to USA, and in the same time it also reduces the hard power due to the fact that the bigger economic lost reduces the impact and the power of the states in the sense of global domination.

The authors are emphasizing the phenomena that the global system independence from current crisis is heading towards the multipolar world, considering the fact of gradually transferring the world economy centre from the region of the North Atlantic to the region of the North Pacific, stressing the Far East especially China, and also having in mind the global increase of the BRIC influence.

In the geopolitical sense, the Western countries lost a lot of their international power which they enjoyed before the crisis. Such an economic situation could just partly be seen in the decrease of the share these countries had in the world's GDP. On the other side, economic parameters are showing that BRIC countries enjoy a bigger share of the world's GDP. Additionally, in the last fifteen years Russia is showing an economic progress, as well as wider social progress. This country, even in the period of strong crisis, has maintained to keep two parameters that represent the world power, namely the nuclear armament and the power in the energetic field where Russia is one of the world leading distributor and producer. China and India are also showing important signs of gross economic power, but according to economic parameters per capita, these countries are still falling far behind standards of the Western countries.

When it comes to Serbia, during the 1990s the economy was blocked on multiple levels: by the sanctions put upon the outside world, the war in the near neighborhood and finally, by NATO aggression in 1999. After 2000, Serbia uncritically implemented the neoliberal economic model, which resulted in very poor, even disastrous economic situations.

Privatization was badly carried out by the government, selling assets off often in a suspicious way, there was a lack of serious investments, the government spent the money collected from the privatization, but it also took loans and used money orders from people working abroad for the budget and some fishy expenditures involved the country easy into debts. All these measures contributed to the bad economic position, whereas the world economic crisis had just intensified the negative economic situation in the country.

In the macroeconomic sense recent neoliberal and neomonetaristic model with the accent on maintaining the stability of exchange rates and prices (stability of domestic currency) should be, according to the authors reoriented towards the direction of the development and full employment. In those two fields we can find

the necessary basic for possible development strategy, where the main point would be to attempt an increase of agriculture manufacture with the export direction focused on Russia by using the benefits based on the special trade agreement between Serbia and Russia.

The scientific importance of this book is significant on many levels. Besides the actuality that this topic has, which is important by itself, in one place there could be found simple and concisely explanations of the basis determinants and the parameters of the phenomena that has been shaping global economic field for more than six years. Besides the description level, the book provides us with scientific development prospects as the highest level of scientific knowledge, as far as the process of overcoming the structural economic problems (of the countries where the crisis has emerged) is concerned. In this global system Serbia is no exception, therefore this book could be a useful basis for analysis of the further movement of our country in the direction of economic stabilization and recovery.

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