University American College Skopje

Thirteenth annual international academic conference on European Integration

EUROPE AND THE BALKANS

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Edited by:
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Europe and the Balkans

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Europe and the Balkans

Introduction

Robert C. Hudson, Ivan Dodovski and Marina Andeva

This volume is made up of a selection of peer-reviewed chapters originally presented at the 13th international conference on European Integration, organized by the University American College Skopje. Entitled: "Europe and the Balkans", the conference was held at the Macedonian Ministry of Foreign Affairs in Skopje, on 17 May 2018. The main purpose of the conference had been to re-examine the complex construct of the Balkans in the European political and cultural imagination. Although the Balkans have been claimed by local nations as the 'cradle of European civilization', for Western imagining the region has usually featured as a 'part of Europe, yet not of it'. It is to be hoped that the negative demi-orientalizing discourse which has stigmatized the Balkans as both a vortex of stagnation and violence, and as 'an incomplete self' of Europe will eventually fade away with the integration of the Balkan countries into the European Union. Nevertheless, the controversial term 'Western Balkans', invented as a seeming mask of political correctness, testifies to prevailing prejudice and obstacles to the process of European integration. It should also be noted that as a catch-all expression for the successor states of the former Yugoslavia, the term 'Western Balkans' used to designate a geographical space once referred to more generally as South Eastern Europe was contested throughout the conference. The conference which involved about 20 prominent Macedonian and international scholars as well as over 120 attendees afforded an excellent opportunity to contribute to a better understanding of the Berlin Process and to other initiatives related to the integration of the Western Balkans into the EU.

The chapters were written against the background of a number of concerning issues confronting Europe at the time, which have been causing uncertainty, fear and division, especially the growing challenges of the rise of populism in European nation states and the potential impact on the rest of Europe and the Western Balkans of the United Kingdom's decision to leave the EU. In the background there are continued concerns over migration; concerns over terrorism and security, as well as disinformation in the media and the threat of cyber security and a growing fatigue within the EU over its widening and expansion. There were concerns too that the eurozone might be heading for another recession as the European economy weakened substantially in 2018 and that economic downturn might cause further

damage to Europe's already fractious politics, especially in the light of the forthcoming European elections in May 2019. The economy has also impacted upon the political arena, with approximately 25 per cent of Europeans voting for populist parties, and countries, such as Hungary and Poland being governed by Euro-sceptic leaders. Added to this is the worry that populist-nationalist parties, supported by those who feel marginalized, ignored and economically insecure might make gains in the forthcoming elections, putting into question the next phase of European integration in the face of growing reactionary nationalism and xenophobia, all of which could impact upon European integration in the Balkans.

Our book opens with an address by His Excellency President Milan Kučan, first President of Slovenia, followed by a keynote speech by Professor Stefan Troebst of the University of Leipzig. This is then followed by fifteen chapters divided into four parts. The first part is entitled "Reconsidering Balkanism". The second part concentrates on "The Berlin Process and Beyond", the third part focuses on "Lessons for the Balkans" and the fourth part is dedicated to "The Trade and Labour Market in the Balkans".

The Opening Address

The opening address was delivered in Serbo-Croat, at the Macedonian Ministry of Foreign Affairs by His Excellency President Milan Kučan of Slovenia. His speech focused on the ability of the European Union to open itself up towards countries from the "so-called, Western Balkan Region." From the start of his speech, President Kučan expressed his firm belief that the expansion of the EU into South Eastern Europe was inevitable, whilst recognizing that candidate states desiring membership of the Union had to fulfil the prerequisite conditions laid down by EU regulations. He recognized that delays in the process might lead to demotivation, a decline in trust and even scepticism in popular attitudes towards the Euro-Atlantic project. Perhaps no better example of this is provided than by the frustrations in Macedonia itself over EU and NATO membership, exacerbated by the name dispute which has been rumbling on for nigh on thirty years. By contrast to the preparedness of South East European countries to fulfil the conditions of EU membership, President Kučan also raised six issues which have been impacting on the EU's own capability to open up to new member states. But above all, entry into the EU depends upon the ability of each candidate state to fulfil the complex conditions of membership, known as the *acquis communautaire*. At the end of the day His Excellency sees entry into the EU as a parallel process in which the Union should be more engaged in enabling each candidate state to achieve EU membership according to consistency and objectivity in the conduct of the accession process. Above all this should not be influenced by fears of Islamic or Russian influences in the region.

The Keynote Speech

The Keynote speech was delivered by Stefan Troebst, Professor of East European Cultural History at the University of Leipzig. In his speech Troebst traced German-Macedonian relations over the 'long' 20th Century, with some focus on the German perception and representation of Macedonia. He takes us through the first period of German military expansion into the Balkans in the First World War when some 30,000 German troops served on the almost 500 km-long Macedonian Front. He then takes us on to the Second World War and the presence of the *Wehrmacht* and SS troops alongside the Bulgarian occupation forces based in Vardar Macedonia. In the aftermath of the Second World War when normal relations between a divided Germany and Macedonia were momentarily put on hold, it would be the German Communist Party in the Soviet Zone of Occupation of Germany who would offer support to the Greek Communist Party and its Democratic Army of Greece, which had significant numbers of Macedonian troops during the Greek War of Independence. Then from the 1950s onwards, alongside cultural and educational exchanges between the two Germanies and Macedonia, there would be a small number of Macedonian *Gastarbeiter* working in parts of West Germany. After Macedonian independence from Yugoslavia in 1991, there would be German diplomatic representation in Skopje, bolstered more recently by strong support for Macedonia's entry into NATO and the EU from Chancellor Angela Merkel.

Part One: Reconsidering Balkanism

Some of the perceived differences between 'Europe' and the 'Balkans' and the very ambiguity of conceptualizing the Balkans have been rather neatly expressed by the late Serbian poet Desanka Maksimović in her poem "Balkanac" ("Man from the Balkans"), opening with the lines:

I am not ashamed of being,
as you would say,
a barbarian from the Balkans,
home of all that is unclean and stormy.
Now you will hear that we too have
Cultures of which you have no notion….
(Trans. Reginald de Bray, 1988)

The first chapter in our book is entitled "Balkanism Revisited: Overcoming the Old Western Stigma of the Balkans", and in this reflective survey, Ivan Dodovski sets out to resolve the

ambiguity of conceptualizing the Balkans starting with a reference to Mark Mazower's comment that "the Balkans is part of Europe, yet not of it", before adding that the West has construed the Balkans as ambiguous borderland; not as an oriental other, but, with reference to Maria Todorova, rather as "an incomplete self" which, according to David Norris, is denied "an access in the European sphere of modernity". Dodovski reflects on the "stigma of the Balkans", those negative and pejorative connotations which Todorova referred to as a *Schimpfwort* (Todorova, 1997). The author goes on to consider how the very concept of Europe was itself a cultural construct by making reference to Gerard Delanty's (1995) vision of the Balkans as a "dividing line of two civilisations", and reflecting Samuel Huntington's *Clash* (1993). Dodovski goes on to consider both the conceptualization of the Balkans and the responses to Balkanism, with references to some of the key works by Todorova, Milica Bakić-Hayden, Julia Kristeva and Traian Stoianovich *inter alia*. Finally, the author introduces his readers to the concept of *perichoresis* and very neatly transposes a theological concept into a sociocultural context, suggesting that cultures can coinhere and change without necessarily losing their difference in identity. So, rather than the Balkans being seen as a 'dividing line' or 'fault line', Europe can actually embrace Balkan legacies and identities as its very own through a *perichoresis* of cultures.

The theme of reconsidering the Balkans, and again seeking to present a more balanced perspective of the Balkans rather than just seeing the region as being permanently short of modernization and the "incomplete self" of Europe, is taken up in the second chapter in this section, by Zora Hesova. Here, the author re-imagines the Balkans "from the other side of the Periphery". Hesova's basic concern is that whilst there is a seemingly endless plethora of books, articles and papers dealing with the Balkans and their destination as a periphery, the actual word or concept of "periphery" has not really been sufficiently questioned or analysed. Asking the question, periphery of "what, where and how?" the author proceeds to present the reader with notions of periphery, before going on to explore the contextual concepts of "double periphery" and "double centrality". In this clearly articulated essay, Hesova considers changing the perspective of the peripheral nature of the Balkans before exploring the Balkan peripheries of Islam, Islamic civilizational core and periphery and the European peripheries of Islam. She concludes with the idea that peripherality means not just being marginal, but also having a relation to a centre, and acknowledges that a centre is not always synonymous with development, dynamism or progress, as a centre may also have a controlling and asphyxiating impact. She concludes by portraying the Balkans as a productive periphery of Islam, and argues that this may be more consequential today within a more contemporary context.

The year 1997 witnessed the publication of a major work that continues to serve as a tool for the intercultural analysis of a new imagological category that would be known as "Balkanism". Overnight, Maria Todorova's *Imagining the Balkans* would become a "theoretical bestseller". Yet, "everyone has their own Orient" and, as Elizabeta Sheleva explains in her chapter "The Blindspot of Balkanism", at the very core of Todorova's seminal work, there resides a blind spot

of Balkanism, which Sheleva interprets as the perpetual "othering" of Macedonia. The author proceeds to demonstrate how for Todorova, Macedonia became "her own Orient", whereby Macedonia has become minimized and reduced to the level of being a mere geographical expression and a pretty much irrelevant cultural space, counter to historical and contemporary reality. The upshot of her argument is that even the anti-Balkanist ideology is not immune to the tendencies of a still functional, inert or latent orientalism and the reproduction of "nesting Orientalism", with reference to Milica Bakić-Hayden (2001). As a response to this perpetual othering, Sheleva advocates that all academics in the field of cultural and identity politics and related disciplines should commit themselves to programmatically overcoming the still abiding and counter-productive academic subalternity.

Part Two: The Berlin Process and Beyond

From a reconsideration of Balkanism we move on to an assessment of the Balkan States themselves and their aspirations towards full European integration. What lessons can be learned from the integration process?

The second part of this book opens with a chapter by Zlat Milovanovic on "The Balkans in the European Union" in which he presents a very useful historical overview of EU – Balkan relations and considers the nature of the Berlin Process, before addressing one or two unresolved issues in the integration process and then concludes with the direction the EU may be taking in the future. In the dénouement of his chapter Milovanovic considers the concept of the term "Western Balkans", arguing that as a neologism Western Balkans, as used by the EU neither corresponds to traditional geography nor to history. The author proposes the expression "South Central Balkans" as a more accurate toponym for the region. Milovanovic traces the delays in the opening up of the EU to the Balkans with reference to the Salonika conference in 2003, when the Balkan countries were told that their future lay in the EU, through to the inauguration of the Berlin Process by Chancellor Merkel in 2014. Nevertheless, a setback came in 2017, when President Juncker estimated that the first accessions of Western Balkan countries would not take place until 2025. After Berlin, a series of summits was held in Vienna (2015), Paris (2016), Trieste (2017) and ironically, given the UK government's current relations with the EU, in London in 2018, a theme that will be developed later on in this book with reference to Robert Hudson's chapter on "Brexit Britain and the Western Balkans".

Meanwhile, Milovanovic goes on to consider the trajectory of the EU of the future, recognizing that it is as difficult to predict as is the future of any international or national body politic. He argues that to establish democracy at the Balkan level, the states know exactly what their obligations within the EU will be, and some very helpful recommendations on this matter have already been very clearly expressed in the opening address to this book by His Excellency President Milan Kučan. At the end of the day, the challenge for the new member-states is to accept a new EU as it evolves, whilst the challenge for the EU is to keep its course

and to develop its internal democracy while being responsible to its member-states, to European citizens, and to their needs. Not an easy task given the current challenges to the EU of continued immigration; the rise of populism and Euroscepticism; and, the potentially negative impact of Brexit and its ripple effect.

Continuing with the theme of the Berlin Process, Jeremy Cripps presents a very interesting view of its "Prospects and Deliverables" in the fifth chapter of our book. The purpose of his chapter is to review the literature of the Berlin Process and to consider the instruments that need to be in place in the Western Balkan states to successfully secure full membership of the European Union. At the same time, the author recognizes that the Western Balkan states are all at different stages in the compliance process, and notes the achievements made by the Republic of Croatia, a subject presented at by His Excellency President Ivo Josipović in the previous conference held in Skopje in May 2017. Yet, for Professor Cripps, from a current Western perspective there are three crisis areas in the Balkans: The perceived failure of democracy to deliver healthy political competition in the Balkans, despite all the advice that has been offered; the continued evidence of Russian interference in the region which undermines the support for the socio-economic changes required by the EU; and, thirdly, the fact that any attempts by the EU to understand the workings of the Western Balkan states are always seen in the context of Europe's own post-war economic recovery. Cripps provides an excellent quotation from the poet Percy Bysshe Shelley to illustrate his point, to which one might proffer a line from Shelley's contemporary John Keats: "And Joy, whose hand is ever at his lips, Bidding adieu…." Ultimately, and in spite of all the positive progress made by the Berlin Process, the author believes that the current picture is rather bleak. He raises the issues of widespread corruption and organized crime in the region, before spelling out his concerns over the continuing depopulation of the Western Balkans and how so many young and talented people are emigrating at every available opportunity, a subject taken up by Maja Mihajovska in the last chapter of this book. As they emigrate, they leave behind them an ageing population who are unable to slow down the process of decline. Meanwhile, any desires by the EU to further the cause of accession by the Western Balkan states are frustrated by the degenerative process of Brexit and the impact of its ripple effect on demands for independence with Scotland, Catalonia, Northern Italy and elsewhere, to say nothing of the rise of populism in the EU member states and the existence of Eurosceptic parties ready, in their own turn to break away from the European Union.

In Western eyes the Western Balkan states have long been synonymous with a region overwhelmed by conflicts and disputes and as a trouble maker in terms of security on the European continent. Over the past decade, democracy in the Balkans has been slowly, but steadily waning due to those autocratic political leaders who have taken advantage of the rise of ethno-nationalism and intolerance, whipped up by the impact of migration on the region since 2015. Against this background, Marijana Opashinova Shundovska presents the reader with a very positive view of the Berlin Process and the role played by the Federal Republic of

Germany in preparing the West Balkan Six for eventual entry into the European Union. This being an intergovernmental model that is based on annual summits in a process that goes well beyond being yet another stability pact for South Eastern Europe.

Germany took the lead in 2014, building on its own experiences of reconciliation with France in the aftermath of the Second World War. The main aim of the Berlin Process was to enhance the progress of the West Balkan states in their endeavours to make real progress in the reform process, by resolving outstanding bilateral and internal issues and in achieving reconciliation within and between societies in the region with the ultimate goal of making sustainable growth and stable regional growth. Opashinova Shundovska provides the reader with examples of the treatment of border disputes between Balkan states; efforts to involve youth in regional reconciliation and cooperation; efforts to encourage further the development of civil society; and, the implementation of regional infrastructural projects, technical standards and soft measures for simplifying border crossing procedures, road safety and road maintenance schemes; as well as the encouragement of Trans-European Networks and infrastructural connectivity by rail, road and sea. By keeping both EU member states and participating states committed to these priorities, Germany has demonstrated a clear pro-active role in helping the West Balkan Six achieve European integration, based on real projects rather than feasibility studies; by action rather than words.

Part Three: Lessons for the Balkans

Two-and-a-half years since the EU referendum in the United Kingdom which resulted in 52 per cent of the electorate wishing to leave the Union and 48 per cent wishing to remain, British public opinion has remained deeply divided over the issue, and at the time of writing the country is gripped by growing panic over Brexit inertia. The third section of our book opens with a chapter by Robert Hudson on the potential impact of Brexit on the Balkans. Recognizing that for a long time membership of the EU and NATO has been presented as the panacea to many of the economic, political and security ills confronting the Western Balkans, Hudson acknowledges that for some time Great Britain has also played a significant role in trying to bring stability to parts of the region. The chapter also considers the impact that migration on and through the Balkans, has had on British public opinion; potential delays to further EU enlargement; the rise of populism in Europe and the rise of Russian influence in the region as well as Britain's potential non-EU contributions to the Western Balkans after Brexit. At the end of the day, Hudson believes that the UK would continue to play a much more significant role in the Western Balkans were it to remain in the EU. He adds that if Scotland which voted 62 per cent to remain inside the EU in June 2016, were to call for a referendum on Scottish independence in a bid to continue remaining in the EU, the unity of the UK could well be shattered. This could result in the kingdom becoming a rump state, as well as having a ripple effect on other parts of Europe and beyond. He cites Spain, Bosnia and Hercegovina and Macedonia as examples.

In chapter 8, Nikola Ilievski and Goran Ilik demonstrate how the integration experience bears witness to a multi-speed approach to European integration, as has previously been demonstrated by the examples of the European Monetary Union or the Shengen Agreement, in which not all the member states of the EU have taken a part. The authors have divided their chapter into three integral parts, focussing upon: the phenomenon of differentiated integration; models and policies of differentiated integration; and, an analysis of relations between the EU and the Balkan states. In their conclusion Ilievski and Ilik advocate that the model of a multi-speed Europe could be applied restrictively in the Balkans, introducing four integration speeds, or orbits. The first would consist of Greece as the most EU-integrated state in the Balkans. The second would be Croatia and Bulgaria, as member-states of the EU, which do not take part in all common EU policies. The third speed would relate to Macedonia, Albania, Serbia and Montenegro as EU candidate states, and the fourth speed would be made up of Kosovo and Bosnia and Hercegovina, which as yet remain as potential candidate states.

After international relations, the European integration processes provide the most powerful incentives in Europe, providing new member states with new opportunities for development and political and economic integration with a stable and safe Western core. So says Jan Mus in his excellent chapter on "How to Escape Peripheralization? Lessons from Central Europe". In this chapter Mus shows how despite all of the efforts in developing relations with the EU with a view to eventually integrating into the European common market, the Western Balkan region is still suffering from major economic and social problems. Mus endeavours to answer the question of why the Western Balkans fall short of achieving economic success and satisfactory social standards. More specifically, he spells out why the Western Balkan states cannot follow the example set by Central European states such as Poland. To answer these questions, the author evaluates Poland's experience in the process of European integration. He does this first of all by presenting different theoretical approaches to core and periphery, and then goes on to provide some key lessons for the Balkans. The key lesson is that the integration of Central Europe took place in a very different political environment, at the end of the Cold War, with the chaotic dismemberment of the Soviet Union and the violent break-up of the Yugoslav federation. As a consequence of this, countries such as Poland and Hungary received much more than a mere declaration of support from the northern European states of Germany, Sweden, Denmark, the Netherlands and France, who were all keen to incorporate new countries with their markets, cheap labour and eventually millions of new and enthusiastic consumers. But, the 1990s are long since gone, and these days it is only the threat to the West of the influence of other players, such as Russia and to a much lesser extent China and Turkey, that brings the Balkans closer to the door of the European Union. The author goes on to point out that the recent Euro-sceptic turn in Polish politics comes as a reaction to the costs of Polish transition and that markets which were once open for Yugoslav products and services have long since been taken over by other competitors or have ceased to exist altogether. Mus therefore suggests that the Western Balkan states should focus on specific

types of industry that do not require further significant investment, such as IT. Ultimately, the lessons to be learned about European integration from a Polish perspective are that: full economic integration bears significant social costs that can lead to political destabilization, and that it is more likely that a weaker state, when it joins a stronger one will always remain in a peripheral or semi-peripheral position.

The study and interpretation of history is forever fluid and subject to ever-changing interpretations – one of the discipline's attractions! Often these changes are framed by the political mood of the day. With his chapter, "On the Periphery: The Balkans in Contemporary Russian History" James Pearce demonstrates how history can be used as an instrument of soft power and cultural politics. In this carefully crafted essay, Pearce explains how in today's relationship between Russia and the Balkans, the cultural, religious and historical ties are far easier to exploit than those of many other East European states and that whilst the Balkans lie on the periphery of Russia's foreign policy priorities, they remain a frontier on which Russia vies for influence against the West. In this chapter, the author outlines three competing European historical narratives; those of the West, Eastern Europe and of Russia. Whilst the Western version lays great emphasis upon democracy, citizenship, stability and reconciliation, the Eastern variant is often represented in the dark tones of a blood-drenched earth, with a great sense of past national tragedies and victimhood. Indeed, one only has to take a stroll through the Museum of the Macedonian Struggle in Skopje to see a perfect example of this approach to history. Often in the Eastern historiography there is also a tendency to portray Russia in a negative light. Pearce goes on to show how in the aftermath of the Soviet Union, during the Yeltsin years there was great emphasis on the Russian Question and the sense of "who are we?" as presented by the writings of Alexander Solzhenitsyn and Igor Chubais in the early 1990s. With gradual NATO expansion, the War in Kosovo (1999) and the Colour Revolutions a wedge would be driven between Russia, the West and certain Eastern European countries. This would be exacerbated by the 2008 conflict in Georgia, the annexation of Crimea (2014) and ongoing tensions in Ukraine. Pearce asserts that Russian historiography in more recent years has become much more reactionary and assertive as order and stability have been restored. Within this narrative, Russia can invoke a shared history with many Balkan countries with especial reference to the concept of "Slavonic Brotherhood" and as a tool of soft power politics with other Orthodox Christian countries, including Greece. Particular emphasis is placed on Serbia and Bulgaria and the narrative in school textbooks of the First World War tells of a peacefully-minded Russia which had to defend Serbia. The author concludes with the thought that the recent rise of populism in the West, and the potentially negative impact of Brexit on the future of the EU as it experiences "expansion fatigue" over Eastern Europe, allows the Russian state to present itself as an attractive alternative to the Balkans.

In his chapter on "The Balkan Playground" Stevo Pendarovski argues that when it comes to applying soft power in the Western Balkans, the Russian Federation was a relative late comer and that it was only in Putin's second term of office (2004-2008) that a resurgent Russia was

able to exploit what had become a strategic vacuum in the Balkans as the United States began to turn its attentions to the Far East and the European Union was beset by its own problems in the wake of the financial crisis, immigration and the rise of populism. However, since the annexation of Crimea in February 2014 and the ensuing proxy war in Ukraine, the Western Alliance (US and EU) returned to the Balkans and repositioned itself by confronting Russian influence. In a finely-worded chapter Pendarovski explains the nature and role played by Western soft power politics before going on to analyze the growth of Russian soft power in the Balkans which differs significantly from Joseph S. Nye's original definition. The Russian variant being based on media disinformation through the use of fake or distorted news and the use of an army of Internet "trolls", as well as projecting Russian soft power abroad through the Russian Orthodox Church. Pendarovski advocates that after the temporary withdrawal from the region and in the light of events in Ukraine since 2014, Western soft power politics will dominate in the Balkans once again to the detriment of the Russian version which will be reduced to the role of being a mere "spoiler". In his own words: "Three decades after the demise of communism, no single state in the Balkans has changed its strategic direction because of Russian activities in the region or announced its intention to leave the Western organizations motivated by the Eastern alternatives."

The discourse on the European Union conditionality and monitoring process has been very much at the centre of EU enlargement debates for those states aspiring to EU membership. The rules that define whether or not a country is eligible to join the European Union were established in Copenhagen in June 1993. Know as the Copenhagen Criteria, these require that a state has the institutions to preserve democratic governance and human rights, as well as having a functioning market economy and accepting the obligations and intent of the EU as part of the *acquis communautaire*. In the final chapter in this section, Maria Andeva and Katinka Beretka focus on one aspect of the Copenhagen Criteria, that of National Minority Protection as a prerequisite for successful European integration. They chose Serbia and Macedonia as their examples for although both occupy different stages in the EU integration process, both contain very similar sensitive issues in their national minority policies. The authors provide a short overview of what they have termed the "(non)-existing EU standards" in national minority protection in general, before analysing the most relevant aspects of this issue from the perspective of Serbia and Macedonia. Taking the Macedonian case as an example, there have been a raft of reports since the first Progress Report in 2006, in which concerns have been expressed on the functioning of the Secretariat for the implementation of the 2001 Ohrid Framework Agreement (OFA) as well as a lack of sound administrative capacity and shortfalls in providing adequate education in minority languages. Nevertheless, some progress has been made, and the latest report to the European Commission in April 2018 stated that the overall framework for the protection of minorities is now in place whilst welcoming the new Macedonian law on the use of minority languages.

Part Four: The Trade and Labour Market in the Balkans

As demonstrated in the previous section, the six countries of the Western Balkans – Albania, Bosnia and Hercegovina, Kosovo, Macedonia, Montenegro and Serbia – all lag behind in terms of human rights and economic indicators of a readiness to integrate into the European Union, as laid down by the Copenhagen Criteria of 1993. The first chapter in the final part of our book proposes that an interim solution to this problem may be found in the Regional Economic Area of the Western Balkans. This is an initiative which all the Western Balkan governments have signed up to, which rather than replacing eventual European Union membership would actually serve as an important stepping stone towards it. In this chapter Bettina Jones, Reyhan Suleyman and Leona Mileva consider the most important barriers to trade in the Western Balkans so as to provide recommendations and more detailed action steps to make regional trade integration a reality. They do this by providing a survey of the recent political and economic history of the Western Balkans and examples of regional cooperation that have already been achieved in the region. They then explain the nature and role of the Regional Economic Area of the Western Balkans, its structure and action plan, along with potential risks to Balkan regional trade integration, before providing a list of seven recommendations for future development. Their conclusion is that the Regional Economic Area is a major stepping stone for the six Western Balkan states for eventually achieving full EU membership status. The essential ingredient towards achieving this ultimate goal is that the leaders of the Western Balkan states need to tone down the nationalist rhetoric in their countries and encourage greater cooperation in the region.

Chapter 14, by Daniela Koteska Lozanoska and Nikolai Siniak discusses the relationship between labour migration and poverty and the policy of sustainable and inclusive growth in Macedonia and the other six Western Balkan countries. The authors ask whether or not economic growth signifies a route out of poverty and suggest which specific policies should be improved and recommended. The authors address some of the weaknesses in sustainable development studies in a world where approximately 9 per cent of the global population are international migrants when more people are now on the move than ever before. The authors then analyse the relationship between development and migration before going on to consider development – migration models and poverty in Macedonia and other Balkan countries. In their conclusion Koteska Lozanoska and Siniak demonstrate that the Republic of Macedonia along with the other Balkan countries has been in a period of transition for far too long, nearly thirty years, during which it has transitioned from socialism to capitalism. The process of change has engendered big differences in income distribution in these countries and has deepened the gap between rich and poor people. The authors advocate that increasing attention should be focussed on supporting regional capacities to obtain, analyze, exchange and apply reliable and comparable migration and labour migration data and measures to develop future policy and administration.

The notion of the economic development of the Western Balkans as a key component of the European integration process is taken up again in our final chapter by Maja Mihajlovska. Here she picks up on the theme of emigration from the Republic of Macedonia by young, skilled workers who continue to emigrate *en masse* in search of better job opportunities elsewhere. She adds that the problem of mass emigration of young, skilled workers is worsening and could pose a serious crisis for the Macedonian economy in the mid to long term future. The problem is not exclusive to Macedonia but can be witnessed throughout the six Western Balkan states. Ultimately, this is not only hindering Macedonia's economic development, but it is also detrimental to Macedonia's aspiration to join the EU, given that the economic development of the Western Balkans is seen as being a major component of the European integration process. Mihajlovska draws on a recently published survey in which one in two young Macedonians would "...consider life in another country mostly due to financial reasons". The author believes that a possible solution to this problem would be to emulate Bulgaria's successful business process outsourcing (BPO) sector by encouraging young, skilled workers to stay and pursue their careers in Macedonia. But this would require the accelerated creation of new jobs, hence Mihajlovska's recommendation of emulating the BPO market à la *Bulgarie*. In the author's opinion, this would result in the creation of a large number of highly remunerated jobs for young professionals as well as opportunities for career development. Mihajlovska advocates that developing a sizeable BPO sector in Macedonia could be the most efficient method of generating appropriate employment that will provide educated workers in Macedonia with opportunities to utilize their skills as well as ensuring higher wages. The upshot would be that the country would be able to retain these workers for the long-term, thereby fuelling the future development of the economy and paving the way to EU integration.

Great challenges lie ahead for the Western Balkan states if they are to eventually become fully-integrated member states of the European Union, and they are faced with a number of uncertainties in the process. Not least, in complying with the requirements of the *acquis communautaire,* to say nothing of the wider challenges faced by the Union itself with regard to immigration, the exponential rise of populism across Europe, Euroscepticism and the potentially negative impact of Brexit on the future prosperity of the European Union. The editors of *Europe and the Balkans* both hope that this little book will make some positive contribution to our better understanding of the ever-changing relationship between Europe and the Balkans by helping to spread the debate even further afield.

KEY NOTE SPEECHES

Opening Address at the UACS Conference 'Europe and the Balkans', Skopje, 17 May, 2018

President Milan Kučan

In my exposé I will not be discussing problems in Southeastern Europe, conflicts in that area or even unsovled issues between the countries in that geographical region. Neither will I discuss any wider geopolitical confrontations which might break out in that region, and subsequently influence the process of EU integration. Above all, I will be talking about the ability of the EU to open itself up towards countries from the so-called, Western Balkan Region.

I firmly believe that the expansion of the EU in the direction of the southeatern part of Europe is inevitable, and it is merely a matter of time before that process has finally ended. The reasons behind this are numerous, ranging from the political, geopolitical, economic, cultural and civilisational, and relating to identity, safety and defense. However, there is one more reason, one that we rarely speak of, and it is one of the most important reasons: the role, or more precisely, the impact of the European continent on the entire world.

After more than half a century, during which time Europe had a dominant influence on the development of the world civilisations, itcurrently finds itself pushed more and more towards the margins of international processes in this modern and multipolar world. Excluded, incomplete, and somewhat broken, Europe cannot be a relevant factor in the life of the modern international community. More and more important decisions are made with little or no contribution from Europe, and also far beyond the reach of its influence.

The positive facet is that, at a more obvious level, all relevant European institutions are for expansion and support the process. A certain amount of optimism can also be felt due to the recent decision to begin negotiations with Macedonia and Montenegro.

Fulfilling the conditions for membership, according to the regulations, has been defined as a prerequisite task of any candidate state. It is also very motivating for the internal democratic political, economic, legislative, judicial, ecological, social and civilisational development of those countries. Whilst postponement, on the other hand, provokes a fall in motivation, distrust, and even scepticism and doubt in the justification of the decision on membership. Thus, at a more clear cut level, it all depends on the preparedness and capability of the candidate state to fulfill the conditions for membership, and consequently show their ability of a life according to the values, relations and procedures valid within the EU. It is therefore a question of capability in being able to become a part of the EU.

Conversely, the situation begs the question as to whether or not the EU is capable of receiving new member states. That is to say, I am convinced that the EU, such as it is, has been faced with its own internal issues, controversies, conceptual and structural miscommunication, and is not ready for expansion. Above all, there are two reasons for this.

During the time of the great expansion with ten new member states, all of which were part of the former political Eastern Europe, and Slovenia among them, the EU proclaimed a principle of expansion with a simultaneous deepening of internal relations. The expansion happened due to the distinct political interest in expanding towards the East, alongside the distinct economic interest in increasing the market, following the fracturing of a Europe previously divided into blocks.

However, relations never reached a deeper level. The constitutional project of the EU, prepared by Giscard d'Estaing failed with the referenda in the Netherlands and France. And that was the first reason.

The second reason lies in the inability to embrace the challenges that caused world changes, above all globalisation and multipolarity. With its rigid organisational structures, the manner of forming key institutions, the decision-making processes and also low levels of integration, the EU has not been able to live up to these challenges. There were, in reality, a couple of serious attempts. Above all, the Maastricht and Lisbon Treaties , but they were not enough. They did not provide responses to key questions. And I will mention some of them here.

First, there is the question of the ethical basis of the legitimacy of the EU, or the values that the EU resides upon. Historically, it is above all based on securing of a permanent peace, then it is about anti-fascism, solidarity, the promotion of human rights, and the preservation of human dignity, the rule of peace and social righteousness. The crises that the EU has recently been faced with demonstrated that this set of values did not serve as support to the resolution of the crises. Above all, I am refering to the crisis with Greece and the immigrant crisis (Poland and Hungary). In the resolution of these crises solidarity failed. National egotism and the logic of calculation, brought on by membership, and having to be sacrificed for a certain benefit, prevailed. National sovereignty as opposed to solidarity.

That raises the question of what might be the core interest of a country for aspiring to become a member of the EU. Mere material, financial interest, an interest in a common market is not enough; it is not a strong enough as an integrating lever for society. This was demonstrated by the example of the former Yugoslavia. It is necessary to strenghten and modernise the core idea of integration and its values.

The crisis has already somewhat eroded the idea of a European association, but fortunately, it did not threaten the core – securing permanent peace. Peace is a good reason to strenghten other damaged values that constitute the European lifestyle, as a common value, solidarity and anti-fascism, before all else, as the European lifestyle is still better than most others. It is a specific combination of economic liberalism and a high rate of social, human and state

solidarity. It constitutes a value that member states in the global context cannot secure themselves, for which they need the EU as a community.

Pragmatism, becoming more and more dominant in the decisions of European institutions, is a whole different issue. Pragmatism has proved itself to be inappropriate in the crisis of the internal relations that the EU is entering. It is indispensable for the EU to change its ways, and decision-making processes and to reorganise its structures, to embrace serious reforms to the end of completion of the European monetary and fiscal policy, the unique policy of security and external politics and strengthening the conscisousness of what the European association means as a basic lever of integration and decision-making criteria. It is obvious that the European leaders are aware of the weight of that specific task, thus, it is a question of whether or not they are ready to accept responsibility for its resolution.

Third is the question of establishing the so-called human resources of the European institutions. European officials come from individual member states of the EU. They have been chosen from a combination of national political configurations and they view their own political future almost exclusively through the national prism. Commiting to European responsibilities represents a risk for their probable future re-election. To put it in other words, due to the lack of the aforementioned ethical defficiency and pragmatism, there is an apparent shortage of national politicians who would readily associate their national political fate with the success of a European political project. Such politicians, statesmen of a European calibre were Schumann, Monet, Adenauer, de Gaspari, then Mitterrand and Kohl. The establishment of human resources in European institutions, prevents Europeans as citizens in their national states from feeling themselves to be citizens of Europe at the same time.

The fourth question is one of establishing a balance between the principle of equality and functionality in the operating of the community. It is one of the most complex questions in all multinational communities. The violation of the principle of equality begs the question of the sense of survival in the community in member states, attached to their own rights. On the other hand, the dysfunctionality of the community, the inability to make decisions begs the question of the sense of a community's own existence. The balance between these two principles needs to be established by substantiating a relatively narrow registry of essential questions which do not allow for being outvoted in the decision-making process. While the majority decides on the rest of the questions. This is a very complex and delicate question in every community, and can also have pivotal results.

The fifth question is one of sovereignty. By joining a community, the EU, member states do not renounce their own sovereignty, neither do they transfer it onto the EU. The EU does not have its own sovereignty. However, due to the interest of a common lifestyle and the purpose of the EU, member sates fulfill a certain number of their sovereign functions together on the level of the community, whether through consensus or by a majority vote. The member state remains the sole bearer of sovereignty concerning such functions. They represent the basis of the member's rights in the decision-making process and responsibilities in the implementation

of the decision they made together. Understandably, the more ethical, and stronger the value foundation of integration is, the wider the registry of communal sovereign functions becomes.

The sixth question is the one of relations between the developed and underveloped EU member states. The difference, provided it does not diminish, can represent a source of permanent conflict, even a reason for weakening and a final breakdown of the comunity. There are two possible approaches. The so-called convoy principle: the member states develop at the pace of the underveloped member states, which of course, slows down the development of the of the whole and provokes discontent within the developed member states. The second is the principle of the regatta, stimulating the development of all member states, but with a great amount of aid for the underveloped, with investment in their production resources, which gradually enables them to overreach the developed member states. The EU has an entire system of cohesion and other funds to resolve such problems, thus we would have to look into efficacy from that standpoint as well.

The question of liasing of the political parties at the level of the European Union and the effects of that on the decision-making of European institutions is also topical. This requires particular elaboration.

Finally, the proces of the expansion of the EU, undoubtedly depends primarily on the ability of the candidate state to fulfill complex conditions – the *acquis communautaire* – for membership. It also depends on the capability of the EU to open itself up to new members. It would be fair to disclose that information openly to candidate states.

I consider the process of expansion to be a parallel process, in which the EU is much more engaged in enabling the member state in the future, whilst being objective and consistent when evaluating the member state's success. The EU did not practice that at all times, thereby creating new issues in its internal affairs. The stronger the EU is in its internal affairs, the more capable it will be in opening its doors to new member states and engaging in the process of pre-accession negotiations. The fear of Islamic or Russian influences in the Balkan area cannot be a reason to deviate from consistency in the process, equal terms for EU membership for all.

(Translated from Serbo-Croatian by Tamara Jolevska-Popov)

Germany and Macedonia—a 20th Century Special Relationship*

Keynote at the 13th Annual International Academic Conference on European Integration "Europe and the Balkans", University American College Skopje, Skopje, Macedonia, 17 May 2018

Stefan Troebst

"Europe and the Balkans" is on the one hand a very broad topic—and on the other it carries, in my view, a certain misperception: as though the Balkans weren't an integral part of Europe. In my own presentation I will start from the assumption that the Balkans is an integral part of Europe, yet shall narrow down the focus on two sub-regions of Europe—one central European, the other South East European, namely Germany and Macedonia. In doing so, I propose the bold hypothesis that the two are connected by a special relationship—at least during the 'long' 20th century. Thereby, I shall primarily look at the German perception of Macedonia, assuming that the Macedonian perception of Germany is far more familiar to you than to me.

By Macedonia I understand with regard to the beginning of the 20th century, of course, the *vilayet-i selâse*, that is the three Ottoman provinces of Selânik (Solun, Saloniki), Monastır (Bitola) and Üsküb-Kosova (Skopje-Kosovo). And for the rest of the century I understand the term as what is known as the northern or Vardar part of Macedonia, both as a province or a republic within the two Yugoslavias, as a region twice under Bulgarian occupation and since 1991 as an independent state. By Macedonians, however, I understand for the first half of the 20th century the Christian-Orthodox and Slavic-speaking inhabitants of the Vardar region as well as the many refugees from both the Vardar and Aegean parts of historical Macedonia in the neighbouring countries, first of all in Bulgaria. Maybe so much for definitions which in dealing with things Macedonian are always of particular importance.

Some of you may now ask, and that rightly so, why should this small part of the Balkans be of any importance to a great power like the German Empire of the years 1871 to 1945, later to divided Germany and ultimately to reunited Germany? Good question, but I also have a number of hopefully convincing answers.

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The period of the most intense German interest in Macedonia was without doubt that of the Weimar Republic, that is from 1919 to 1933. At that time, German public dicourse in newspapers and other periodicals abounded with information on Macedonia and the Macedonian Question. How is that to be explained? Because the reading public in Germany defeated in the First World War , humilated by the Versailles Peace Treaty of 1919 and desperately seeking this treaty's revision looked for positive role models in its urge to topple the detested 'Versailles System' imposed by the victorious Entente powers. And this positive role model was found in the Balkans: in the form of the Internal Macedonian Revolutionary Organisation—*Vătrešnata Makedonska Revoljucionna Organizacija*, as the official denomination was in Bulgarian, abbreviated VMRO, in German (and English) IMRO. Operating with Italian support against the new Kingdom of Serbs, Croats and Slovenes from Bulgarian and Albanian territory, first by guerilla tactics, then by terrorist means, IMRO violently challenged the post-war order installed at the Paris Peace Conference. Accordingly, the IMRO fighters and assassins, some of them women, became for many Germans celebrated heroes. The German press of all political colours, from the extreme right to the communist left, praised the example of the Macedonians who were willing to sacrifice their lives for their national idea of a unification of all three parts of historical Macedonia, be it as an autonomous part of Bulgaria, be it as a 'second Bulgarian state'. "These men know how to treat Europe the right way", wrote the daily *Rheinisch-Westfälische Zeitung* of Essen on March 21, 1930—obviously in contrast to German "Paneuropeans and pacifists" who from this perspective accepted the dictate of the victors at Versailles in a cowardly way.

While the admiration for IMRO's struggle against the postwar settlement was widespread in Weimar Germany, journalists and scholars fiercely debated the ethnic outlook of the population of Vardar Macedonia. The majority shared the view that the Slavic-speaking Orthodox Christians there were Bulgarians, while the contemporary doctrine of Belgrade was rejected. Only the prominent social democrat Hermann Wendel supported the offical Yugoslav view that they were Serbs. The modern interpretation that next to Bulgarians and Serbs a separate Macedonian nation existed, was propagated only by mavericks in politics and the media like the conservative journalist Max David Fischer, the editor of *Deutsche Allgemeine Zeitung*, or the political chameleon Bodo Uhse, in the late 1920s, a member of Hitler's Nazi Party who later turned communist and after the war became an official in the GDR. In an article in the journal *Nationalsozialistische Briefe* of September 1, 1930, he called for German political support of "the unrelenting fighters for the liberation of Macedonia" and ended with the slogan: "Macedonia to the Macedonians and Germany to the Germans."

But also when we look at Weimar Germany's book market we find a large number of publications on various subjects dealing with Macedonia—predominantly on biology, zoology, hydrology, social anthropology, linguistics, geography, geology and so on. Why was that so? For two interconnected reasons: First, from 1916 to 1918, some 30,000 German troops of the Army Battle Groups "Below" and "Scholtz" fought on the almost 500 kilometer long

Salonika Front cutting across Bulgarian-occupied Vardar Macedonia. Not only Prilep, where the German headquarters were located, and—temporarily—Bitola but also Veles and Skopje were full of German soldiers. This resulted, among else, in the publication of memoirs, but also of kitschy novels. And second, with the consent of the Bulgarian occupation authorities, the German Emperor Wilhelm II and the Ministry of Culture of Prussia co-financed a large field expedition of German academics to Vardar Macedonia, the *Mazedonische Landeskommission*, abbreviated *Malako*. Some 100 scientists of all fields of the humanities and natural sciences sprawled over all of Vardar Macedonia north of the front line and conducted fieldwork. The larger part of the results of their research, mostly books, was published during the 1920s such as, for instance, the authoritative monograph *Ethnographie von Makedonien* (The Ethnography of Macedonia) by one of my predecessors at Leipzig University, Gustav Weigand, a linguist and staunch German supporter of the IMRO.

Yet, the German interest in Macedonia, based first of all on economic and military considerations, had its roots even in earlier decades. German industrialists, merchants, engineers, missionaries and others discovered the late Ottoman Empire to be a promising field of action and of business opportunities. In his fabulous book *Der Traum vom deutschen Orient* (The Dream of a German Orient) of 2006 my colleague Malte Fuhrmann described Ottoman Macedonia as a "German colony in the Ottoman Empire".

The German presence in the Vardar Valley was the more astonishing since up to the end of the 19th century the Balkans in general and Ottoman Macedonia in particular were perceived in the best case as *terra incognita*, yet more often as a hostile environment, characterized by banditry, blood revenge, malaria and endemic corruption—at that time the Ottoman terms *başı bozuk*, yatağan and *bakşiş* became part of the vocabulary of the German language. An impressive proof for this negative image is a cycle of adventure novels by the most popular German writer of the time, Karl May, published in the 1880s: *In den Schluchten des Balkans* (In the Gorges of the Balkans), *Durch das Land der Skipetaren* (Through the Land of the Albanians) and *Der Schut* (meaning 'The Yellow One', from Serbian žut). Without ever using the regional term 'Macedonia', May located these novels in the Vardar part of Macedonia—between what he called according to Ottoman administrative nomenclature 'Ostromdscha' (Ustrumca), today's Strumica, and 'Kalkandelen', today's Tetovo. The picture painted by May of the region and its inhabitants resembled more a collection of prejudices than first-hand experience. And indeed as May had never set foot on Balkan soil, he relied exclusively on entries in contemporary German encyclopedias and on travelogues.

Let me for a moment come back to the First World War, namely to the remnants of the German presence on the Salonika Front. The most visible one is the monumental *Totenburg*—literally: Castle of the Dead—on a hilltop in the Western outskirts of Bitola. Constructed in the mid-1930s, it houses the remains of some 3,000 German soldiers. Furthermore, in downtown Prilep a war cemetary for not only German, but also Austro-Hungarian, Bulgarian and other soldiers was built. It contains a separate grave for the son of Weimar Germany's first president

of state, Friedrich Ebert, private Heinrich Ebert who in 1916 was wounded in the battle of Mt. Kaymakchalan and died in early 1917 in the German military hospital of Prilep. Finally, near Gradsko in the Vardar Valley there is a now defunct narrow-gauge railroad tunnel—built, as a memorial plate says, on the order of Emperor Wilhelm II by field-marshall general August von Mackensen in 1916. Today the tunnel is used for the production of mushrooms—a rather successfull conversion of a military installation into a useful economic one.

What, during the First World War was called the German-Bulgarian brotherhood of arms was in fact a German-Bulgarian-*Macedonian* brotherhood of arms since many leaders and rank and file of the above mentioned IMRO served in the Bulgarian army, the ally of the Imperial German Army. Two of the top IMRO officials and at that time Bulgarian army officers, captain Todor Aleksandrov and lieutenant-general Aleksandăr Protogerov, were awarded the German military order of the Iron Cross by Emperor Wilhelm II personally—in Nish in January 1916. A later result of this close German-Macedonian military and also political cooperation were Protogerov's attempts in the early 1920s to talk various governments of the Weimar Republic into a joint German-Macedonian anti-Versailles action, such as, in the form of parallel terrorist attacks in Polish Upper Silesia and in Yugoslav South Serbia, in other words, Vardar Macedonia. Since the leaders of the Weimar Republic in Berlin were desparately grappling with a large number of more pressing problems—loss of territory and colonies, reparations, French occupation of the industrial Ruhr District, demilitarization, uprisings by communist and rightwing paramilitaries, strikes, inflation and so on—IMRO's proposals were taken into consideration, but ultimately declined.

Adolf Hitler's rise to power in 1933 had no immediate impact on how Germans perceived what was going on in the Balkans. Yet Macedonia was still on the mind of German readers. In 1938, Hans Ehrke published in a large number of copies of a soldier's novel entitled *Makedonka. Ein Buch der Balkanfront* (in English: The Macedonian Tune. A Book on the Salonika Front), and third-class writers such as Heinz Rettenbach and Robert Felix aka Felix Solterer became popular through adventure novels and detective stories with Macedonian settings. However, when on 27 August 1939—three days after the signing of the pact with Stalin and four days before the German attack on Poland—Hitler received the British ambassador Nevile Henderson, the Führer made a cryptic remark: "I can no longer tolerate Macedonian conditions [in German: *mazedonische Zustände*] at my border [with Poland]." The barely hidden message was that Germany would soon start a military operation against its Eastern neighbour—which it did. Some of you may know that in 1987 the Macedonian playwright and poet Jordan Plevneš published a play using this quotation by Hitler as a title, and that in German: *Macedoniše cuštende. JU-antiteza.* (I confess that I had a certain impact on the choice of this title since in 1979 Jordan and I were housemates at student dormitory "Goce Delčev" a few kilomenters from here.)

Similarly as in the First World War, the Second World War also brought Macedonia into the focus of German military expansionism. Next to the Bulgarian occupation forces units

of the Wehrmacht were also stationed in Vardar Macedonia, both taking active part in the deportation of some 7,000 Jews of Vardar Macedonia and Southern Serbia to the death camps at Treblinka in the spring of 1943. While the Skopje historian Aleksandar Matkovski from the late 1950s on did meticulous research on the Holocaust in Bulgarian-occupied Vardar Macedonia, it took his colleagues in Sofia another half a century to come up with first scholarly publications on this tragic topic and to confront their own public with it.

Also in 1943, due to the Italian retreat from the Balkans, the Wehrmacht and SS sought the cooperation of IMRO's leader Ivan Mihailov, then exiled in Zagreb, at that time capital of the Croatian Ustaša state. The aim was to set up an auxiliary occupation force of up to 12,000 Macedonian volunteers in Northwestern Greece. However, in reality the strength of this Okhrana, as this unit was called, never exeeded 500 men. Finally, during the hectic retreat of German troops from Greece and the Balkans in 1944, Hitler offered to nominate Mihailov as head of a Macedonian state under the aegis of the "Third Reich". After a two-day visit to Skopje in early September 1944, Mihailov declined the offer due to the swiftly approaching Red Army from the East and the activities of the various Macedonian partisan groups in the region. In October then, the Wehrmacht staged a massacre in the village of Radolišta/Ladorishte near Lake Ohrid cruelly killing 80 inhabitants, and in November the last German army units blew up the Vardar bridges of Skopje—only the Ottoman Stone Bridge would be saved.

The German defeat in the Second World War, the rise of communism in the Balkans and the division of Germany into four zones of occupation as well as the Tito-Stalin Split interrupted the German-Macedonian communication lines of previous times. One of the few exceptions was the support by the German Communist Party in the Soviet Zone of Occupation of Germany for the Greek Communist Party and its Democratic Army of Greece with its strong Macedonian components.The Aegean Macedonian Andon Sikavica was one of the liaison officers between the East German communists and the partisans during the Greek Civil War—before in 1950 he was expelled from the Greek Communist Party as a 'Tito fascist agent' and exiled to a village in Romania.

Yet a decade after the founding of the GDR and the Federal Republic in 1949, more sustainable contacts between the two Germanies and now Yugoslav Macedonia were renewed. My own university, then named after Karl Marx (not Karl May!), established an academic cooperation with the Institute of National History in Skopje, and at the neighbouring University of Halle a lecturership for Macedonian language was installed. On the other side of the German-German border, among the many *Gastarbeiter* from Tito's Yugoslavia also a relatively small number of Macedonians arrived, particularly in Bavaria, Baden-Württemberg and West Berlin. The Western half of this divided city came to play an important role for today's Macedonia, and for two reasons: First, it became a stronghold of Dragan Bogdanovski's Movement for the Liberation and Unification of Macedonia (*Dviženje za osloboduvanje i obedinuvanje na Makedonija—DOOM*), and second, the Jakovleski brothers from the Polog village of Zubovce, Gojko and Mane, both close to Bogdanovski, opened on the central Ku-Damm Boulevard their

restaurant "Novo Skopje". It soon became a favorite meeting place not only of Macedonians and Germans, but also of several dozen other nationalities— with its open-fire charcoal grill functioning, until its closing 2003, as an 'ambassador' of Macedonian cuisine.

After Macedonia had been carefully steered through the post-Yugoslav imbroglio into a still shaky independence by its first president Kiro Gligorov in 1991 which was recognized by a reunited Germany in 1993, bilateral relations intensified considerably. This was not in the least due to the merit of the first German diplomatic representative to Skopje, Hans-Lothar Steppan, who arrived as consul-general in 1992 and retired in 1996 as ambassador, succeeded by Klaus Schrameyer. In 2004, Steppan published a voluminous book on imperial Germany's policy toward the Macedonian Question in the 19th century entitled "The Macedonian Knot". And what I did not know when I served under him in 1992 and 1993, was that he was an ardent collector and promotor of modern Macedonian art.

The other German who became popular, even famous in the now independent Macedonia was the social democratic politician Walter Kolbow whose "Büro Kolbow"—the Kolbow Office—in 1999 coordinated German aid during the arrival of the refugee waves from Kosovo. And finally, the NATO Operation Amber Fox was set up in 2001 in Western Macedonia under German command led by brigadier-general Heinz-Georg Keerl.

So to sum up: During most periods of the 'long' 20th century, a vivid, if not always a clear perception of Macedonia prevailed in Germany—of course, with ups and down. Currently, we witness an up: For instance, Macedonian literature is popular in Germany, as the sales figures of translations of Vlada Urošević's *Mojata rodnina Emilija* (My Cousin Emilia), Luan Starova's *Vremeto na kozite* (Time of the Goats) or Petre Andreevski's *Pirej* (Witchgrass) demonstrate. In football, fans of Vardar Skopje and of Schalke 04 celebrate their friendship occasionally even in Greek stadiums. In the political realm, Angela Merkel, federal chancellor for the last thirteen years is a champion for Macedonia's accession to NATO and the EU. And last month, even the case of the German citizen Khaled Al-Masri, detained by Macedonian security forces in 2003 under the suspicion of being a member of Al Qaeda and later handed over to the US Central Intelligence Agency (CIA), was settled by an indemnity paid to him by the Macedonian government. Today, an estimated number of 70,000 Macedonian citizens live in Germany—the number of Germans in Macedonia is most probably smaller.

Let me conclude with an hommage to the still famous German actor and slapstick comedian Heinz Erhardt, a native of Riga, then Russia, today Latvia. In his West German movie *Unser Willi ist der beste* (Our Willi Is the Best) of 1971 he in the role of a television cook creates in front of the camera a new dish called 'Macedonian rabbit in Albanian pepper sauce'. While most moviegoers in Hamburg, Cologne and Munich at the time hardly deciphered this innuendo to inter-ethnic relations in the then Socialist Republic of Macedonia within the then Socialist Federal Republic of Yugoslavia, Heinz Erhardt definitely did: After he had put all ingredients of his hot and spicy dish into an electronic mixer, he pushed the button—and the whole thing exploded. That was then, in the 1970s, of course, an overly pessimistic message, yet, as we today know, not a completely unrealistic German vision of Macedonia.

PART ONE:
RECONSIDERING BALKANISM

Balkanism Revisited: Overcoming the Old Western Stigma of the Balkans

Ivan Dodovski

Abstract

At various points in history the Balkans were a vivid locus of intersection among different cultures, religions, civilizations, and ideologies. The view of this region as a threshold of contact and mixture fuels opposing discursive practices either to champion a Balkan cultural pre-eminence or to justify its exclusion from Europe. Though claimed by the local nations as 'the cradle of civilization', for Western imagining the region has featured as "part of Europe, yet not of it" (Mazower, 2000). In view of the Ottoman legacy, the West has construed the Balkans as an ambiguous borderland, not as an oriental Other but rather as "an incomplete self" (Todorova, 1997) which is denied "an access in the European sphere of modernity" (Norris, 1999). This negative demi-orientalizing discourse - called 'Balkanism' by Todorova (1997) - which stigmatized the Balkans as a vortex of stagnation and violence has been thought to fade away with the integration of the Balkan countries into the European Union. Still, a recent term, 'Western Balkans', invented as a seeming mask of political correctness, seems to testify to a prevailing stigma and to the obstacles to the process of European integration. This paper reflects on this stigma, suggesting that the European integration of the Balkans may not be simply subsumed to their strained acculturation within the imagined Western paradigm. Instead, the embracing of the Balkan cultural legacies and identities can mean a new vision of Europe as a perichorestic project where different cultures do not blend but coinhere.

Keywords: Balkans, Balkanism, Western Balkans, Europe, identity, acculturation, perichoresis.

Introduction

There is always some ambiguity when conceptualising the Balkans. At various points in history the region was a vivid locus of intersection among cultures, religions, civilizations, and ideologies. This view of the Balkans as a threshold of contact and intercultural exchange fuels contesting discursive practices either to champion a cultural pre-eminence of the Balkans or to justify their exclusion from Europe. Local nations tend to perceive the Balkans as a 'cradle of civilizations'. This is an image of a locus of cultural cornucopia from which Europe – through Antiquity – has received a fundamental dimension of its identity (Stoianovich, 1994). For Western imagining, on the other hand, the region has featured as 'part of Europe, yet not of it' (Mazower, 2000). In view of the Byzantine legacy, but especially the Ottoman legacy, the West has construed the Balkans as an ambiguous borderland; not as an oriental Other but rather as "an incomplete self" (Todorova, 1997) which is denied "an access in the European sphere of modernity" (Norris, 1999). This stigmatising discourse which constructs the Balkans as a European alter ego and projects it as a vortex of stagnation and violence was thought to fade away with the integration of the countries of South East Europe into the European Union. Still, a recent term, 'Western Balkans', invented as a seeming mask of political correctness, seems to testify to a prevailing stigma and to the obstacles to the completion of the process of European integration.

This paper offers reflections on this stigma, suggesting that without full and non-condescending acceptance of Balkan cultural legacies and identities the promise of the European project may never be complete. At the onset, we briefly refer to the invention of Europe itself. Next, we consider how the Balkans have been conceptualized in response to the negative Western discourse on the region. Finally, we propose a new term – *perichoresis* – which could help us conceive better the interpenetration of cultures in the Balkans and contribute to a new vision of Europe as a cultural project wherein different identities do not blend but coinhere.

The Invention of Europe

Following the end of the Cold War, European integration became a sort of substitutive ideology for the post-communist societies of Eastern Europe. Such a prospect meant not only an economic prosperity and political stability, but also a hope for an end to the cultural divides on the continent. This is particularly true of the Balkans. However, the EU stalled the enlargement process and the recent migration crisis has posed an old question with a new fervency: What do we talk about when we talk about Europe?

In his study *Inventing Europe: Idea, Identity, Reality,* Gerard Delanty reminds us that Europe was a cultural construct, produced out of historic conflicts and cultural contradictions rather than around an essential unity and principle of inclusion. The idea of Europe was an "ideology of intellectuals and the political class" (Delanty, 1995, p. 6). Over the centuries it

was developed within five discourses: "the discourse of Christendom, the Enlightenment discourse of civilization, the late nineteenth and early twentieth century discourse of culture, the Cold War discourse after 1945 and the contemporary conflict between the discourses of Fortress Europe and that of a Social or Citizens' Europe" (Delanty, 1995, pp. 13-14). What remained essential to this invention of Europe, holds Delanty, was the self-affirmation in the face of opposition to Islam or the Orient externally and to the ambivalent borderlands internally. He makes a distinction between the Balkans as a borderland to the Muslim world of Ottomans, on the one hand, and on the other hand, the lands in-between like Poland, the Baltic Republics, the former Czechoslovakia and Hungary, which separated Germany and Russia. For Delanty (1995), the Balkans were "the dividing line of two civilizations, the point of collision between Europe and Asia" (p. 49).

In another study, *Inventing Eastern Europe,* Larry Wolff discerns that the division of Europe between the West and the East is a product of the Enlightenment, which replaced the Renaissance's conceptual estrangement between the South and the North. (Following the economic crises since 2008 and the inequalities among the EU member states, one wonders if the North – South division would not become relevant once again.) Intellectual centres in Western Europe, argues Wolff (1994, p. 4), associated themselves with the new notion of 'civilization', which necessitated "its complementary other half". So Eastern Europe (including the Balkans) was not constructed as an oriental other, but as an ambiguous "half" of Europe which mediated between the West and the Orient.

Conceptualising 'the Balkans'

This notion of an ambiguous part of Europe has been further developed into various attempts to conceptualize the Balkans, each evolving around major historical legacies: Antiquity, Byzantium, the Ottoman conquest, and communism.

In the course of continuous though not always straightforward historic developments, Western Europe became a centre of geopolitical power and it appropriated the ancient Greek heritage as its constitutive aspect. "We Europeans are the children of Hellas", thus H.A.L. Fisher (1935, p. 1) begins his *History of Europe*, echoing an earlier Romantic exclamation by P. B. Shelley. It is worth mentioning, however, that for the contemporaries of the ancient playwrights like Aeschylus or Euripides, Europe was circumscribed to the geographic boundaries of mainland Greece, Macedonia, and perhaps a few other parts of the Balkan peninsula; but anything northwest of this area, or what we nowadays call Western Europe, was equally if not more barbarous to them than the Orient itself.

So too was the case of Christianity. A defining event took place in Macedonia; following a vision, St. Paul decided to cross from Asia, baptising in Philippi the first Christian in Europe – a hospitable woman named Lydia (Acts 16: 9-15). Ever since, so maintains Fisher (1935), Europe means Christendom. However, despite the grandeur of Byzantium that was erected

as the Christian Eastern Roman Empire, Western Europe never assumed its legacy. The Great Schism between the Western and Eastern churches, which climaxed in 1054, brought a divided political and cultural perception. Delineated as a sphere of Eastern Orthodoxy, Byzantium was turned into an obscure rival of Western rulers who acknowledged Roman Catholic jurisdiction.

The Ottoman expansion and the fall of Constantinople in 1453 marked the perception to the extreme: the Balkans, almost overlapping with the boundaries of Byzantine influence on the European continent, became a place of 'oriental intrusion', polluted by 'infidels' and therefore considered a threat to Europe 'proper'. The rift was replicated in the twentieth century once again: The Habsburg and Ottoman empires ceased to exist, but 'Western democracies' took a stance against the 'communist East'. The concept of an irredeemably divided Europe seems to eclipse even the end of the communist era.

And so, once again, the question whether the Balkans were permissible into Europe echoes Samuel Huntington's vision of an imminent "clash of civilizations" (Huntington, 1993; 1996). He holds the there is a cultural rift between Western Christianity, on the one hand, and Orthodox Christianity and Islam, on the other. Huntington's portrayal of the Balkans as a European "fault line" of global division seems to still inspire the re-emergence of stereotypes about the Balkan countries (Huntington, 1996, p. 160); though his main premise runs short of a conceivable geopolitical materialization given that Greece, Romania, Bulgaria, Albania and of late Montenegro have all become NATO members.

Responses to Balkanism

Michael Herzfeld (2002) notes that there is a paradoxical yet "inexorable logic" where the Balkan political leaders and intellectuals are concerned: "the more they protest, the more they confirm" (p. xi). He himself is acclaimed for elucidating the "burden of otherness" (Herzfeld, 1987, p. 1) in his major study *Anthropology through the Looking-glass: Critical Ethnography in the Margins of Europe*, which explores self-perceptions of modern Greeks in relation to their ancient heritage. Hellenism, says Herzfeld (1987), is an idealized cultural fundament of Europe. Yet, the image of "Hellenism fallen from grace" contributed to the imposition of marginal identity to modern Greeks as the mechanisms of a Western Eurocentric vision turned them into "aboriginal Europeans" who embody "the European ideal fallen to the evil corruption of anti-Europe" (Herzfeld, 1987, p. 49). Likewise, Herzfeld seems to suggest, the insistent claim that the Balkans belong to Europe only acknowledges the lack of recognition from which the Balkans continue to suffer. Making a brief parenthesis on the divergent opinions of several scholars (most of whom come from or by origin are related to the Balkans), we therefore consider the question: how to jettison the old Western stigma of the Balkans?

In her influential study *Imagining the Balkans*, Maria Todorova (1997), a Bulgarian historian teaching at American universities since the late 1980s, defined "balkanism" as a western discourse which constructed the Balkans as an "imputed ambiguity" and "incomplete self" of

Europe (pp. 15-18). Despite the schism between Roman Catholicism and Eastern Orthodoxy, the Balkans formed an integral part of the European Christian sphere, therefore standing in opposition to Islam. Of the two legacies that shaped the fate of the peninsula – Byzantine and Ottoman, Todorova considers the latter to be held responsible for the name of the region as well as for most of the stereotypes it invokes. The Balkans, she asserts, "are tantamount to their Ottoman legacy" (Todorova, 1997, p. 13). Hence, the process of modernization (also referred to as 'europeanization' or 'westernization') means definite riddance of the Ottoman legacy. Ironically, what we witness today, says Todorova (1997, p. 13), is "an advanced stage of the end of the Balkans". To put it briefly, Todorova implies that modernization leads to a fading of the Ottoman imprint, which in turn makes the Balkans once again fit for equal status within their European type.

An implicit revision of Todorova's claim comes from Milica Bakić-Hayden. In her paper "What's So Byzantine About the Balkans?" she reminds us that some negative elements attributed to the Balkans do not solely originate in the Western perception of the Ottoman legacy, but can be traced in the image of Byzantium cherished by the West (Bakić-Hayden, 2002, p. 62). The West, one may infer, constructed the Balkans by adding its perception of the Ottoman legacy to an already fomented mistrust towards imagined Byzantine inheritors. (This is further argued in Angelov, 2003). And if such was the case in the past, then to recognize "reality as inherently ambivalent", concludes Bakić-Hayden (2002), "may be precisely what contemporary Europe needs ... in order to come to terms with its various selves, including its 'Balkan self'" (p. 74).

Furthermore, Traian Stoianovich, an American historian who was born in Macedonia, in his extensive study *Balkan Worlds: The First and Last Europe* (1994), maintains that the Balkans lodge five cultural areas or archaic cultures which were subjected to influence and change in two distinct processes: first, "orientalization" which came about with the imposition of Ottoman rule; and second, "rationalization", which happened at the beginning of the nineteenth century as a new cultural transfer towards the Enlightenment project (p. 323). Whereas 'orientalization' has faded away, Stoianovich believes that 'rationalization' has a dominant influence. He argues that the process of rationalization implies a sheer imposition of capitalism and threatens to obliterate the cultural richness in the Balkans. So, we find in Stoianovich two focal ideas. Firstly, he sees the Balkans as "the first Europe" which cradles distinct cultures dating back to the Neolithic era, yet shaped and enriched during the classical antiquity and Byzantium. Secondly, he prognosticates that to exclude the Balkan cultures from modern Europe would be the "suicide of Europe itself" (Stoianovich, 1994, p. 3). In a word, Stoianovich believes that the failure to place culture (rather than money) as a European foundation means there would be no future Europe.

Dušan I. Bjelić (2002) reminds us of a similar view citing Slavoj Žižek (1993) who argued that much of the recent Balkan atrocities do not originate in the past, but "should be attributed to the inner logic of Western capitalism" as liberal democracies of the West tend to "channel

internal vindictiveness onto the periphery" and thus remain "superficially purified" and self-content (cited in Bjelić, 2002, p. 9).

Finally, we evoke Julia Kristeva's attempt to reflect on the Balkan stigma. Born in Bulgaria, but educated in France where she has lived for over forty years, Kristeva admits to sharing the opinion of Huntington whilst endeavouring to assess the achievements and deficits of the three Christian strands in Europe in relation to the fundamental idea of the free subject. Unlike Huntington, however, she argues that "the Orthodox experience of subjectivity and freedom might ... complete, stimulate, and enrich Western experience", as well as benefit in return (Kristeva, 2000, p. 117). According to her, Orthodoxy cannot provide for performance and critical reason, but it can deliver values such as interdependence and participation. Europe would not be complete, concludes Kristeva, if we do not "federate the diverse currents of Christianity" (Kristeva, 2000, p. 159). Despite Kristeva's West-East stereotypical binary oppositions which are based on a misconception about the fundamental concepts and values developed within the Byzantine tradition, her ultimate suggestion seems to correspond with the appeal of Pope John Paul II (1995) that "the Church must breathe with her two lungs", not with one only.

Perichoresis and Its Implications

In the footsteps of Todorova (2002, p. 76), we could agree that the existing "mental map of a bifurcated civilization" should be replaced by a general *longue durée* framework for understanding the Balkan past and the emergence of modernity and nationalism. In such a perspective, the "conventional assumption that ideas like the Enlightenment, national self-determination, individual liberties, and so on were and are organic to the west, whereas in the east they are transplanted on alien soil" can be convincingly dismissed (Todorova, 2005, p. 154). In other words, we can speak of the imputed Balkan legacies as parts of a natural evolutionary process comparable – again, in a *longue durée* perspective - to the rest of Europe.

However, to understand the process of non-hegemonic acculturation on the continent, we suggest another concept – *perichoresis*. In Byzantine philosophy, *perichoresis* (Greek περιχωρησις) was originally employed to describe the unity and interpenetration of two natures, divine and human, in Christ, and later on to explain the relation among the three hypostases within the Holy Trinity. Transposing it to sociocultural contexts, we propose the notion of *perichoresis* to designate the preserving and affirming of a distinct identity while partaking in a process of acculturation. The key suggestion here is that cultures can coinhere and change without necessarily losing their difference in identity.

The term, thus, grasps the simultaneous reality of oneness and plurality where being one does not mean being melted or undistinguishable, and being distinguishable does not mean being divided. For instance, the Macedonian scholar Stefan Sandzhkoski (1993) uses the term to explain the appropriation of the Byzantine culture by the Slavs. He argues that the

mode of cultural translation used by St. Cyril and Methodius and their disciples was such that interwove "Rome and its sense for organization and the managing of time; Athens and its philosophical and mysteriological legacy; and Jerusalem with its biblical historism and messianism" (Sandzhkoski, 1993, p. 79). Hence, the transculturation of the Slavs meant an affirmation of their identity in relation to the Byzantine subject as alterity, both remaining distinguishable yet ('organically') sharing in a mutually negotiated change.

To conclude: in a foreseeable future, Europe can overcome its own bifurcation by embracing the Balkan legacies and identities as its very own. To do so, however, Europe should be fashioned after the nonhegemonic model of transculturation, which we call a *perichorestic situation*. In a word, in the era of globalization, a Europe of internal convergence is possible only as a perichoresis of cultures.

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Re-imagining the Balkans: The Other Side of a Periphery

Zora Hesova

Abstract

Instead of looking at the Balkans through a negative prism, and viewing the region as an "incomplete self" of Europe and as a region permanently short of modernization, this paper suggests a different, more balanced perspective. It intends to explore the creative or at least revelatory dimensions of the recent cultural and political history of the Balkans, summed up in the notion of *productive periphery*. The Balkans, as a region is defined by its peripheric situation; by a distant, yet tight relation to a center; by a clearly subaltern, yet somehow decisive position. While being peripheral to historical trends, Balkan nations were also paradoxically very close to the political and educational centers (Istanbul and Vienna) but still relatively free from other historically weighty centers (Berlin, Cairo and Moscow). Several developments have played out in which Balkan states have taken a belated, imitative route towards modernity – nationalism, Islamic modernism and communism. Yet, during the unfolding and (according to this analysis) also thanks to its position as a liminal periphery, those routes have developed into hybrid and original phenomena attesting to the fact that the periphery may be a productive space and that the productiveness of periphery should be studied.

Key words: Balkans, ideology, periphery, modernization, Balkanism, nationalism, communism, Islamic reformism.

The Balkans as a Periphery

There is no end of texts, discourses and papers, both naive and critical, dealing with the Balkans and their destiny as a periphery. Obviously, the Balkans are situated on the periphery of Europe, sometimes reaching the rank of a semi-periphery, sometimes doubling as a periphery of a periphery. Surprisingly, the word "periphery" almost never gets a serious look: periphery of what, when and how? It would be short-sighted to invest the term of periphery uniquely with a negative connotation of dependency and backwardness: first of all, periphery should always be defined explicitly with regards to a particular center or centers and secondly, it should be looked at in the entirety of its complexity. For, a position of multiple periphery might also mean a position of a multiple centrality in the sense of entertaining relations to multiple centers. The argument wants to draw attention to ways in which hybridity can in some cases be made productive by circumstances.

Since the Balkans were discovered as an object of political and economic interest, the region was considered a place defined by a position of someone else's periphery: a region economically dependent on a (West-European) core and controlled, and exploited by the geopolitical logic of far-away centers; a region always in a direct, vertical relation to imperial and post-imperial capitals, rather than connected regionally and horizontally; a region always in process of modernization but ever in default of a stabilized, mature modernity; a region always bleeding its populations towards some other part of a continent, without the capacity to maintain an enclosed identity, where "non-development is the rule rather than the exception" (Wolff, 1994, p. 9).

Hence, it would not be surprising that since Wolff's book in 1994, from the time of renewed expectations, the peripheral Balkans seem to be continuously represented by a "rapport de non-progrès". Parts of the Balkans seem not to be just a periphery of the EU (that would be the EU Balkan member states of Romania and Bulgaria), but rather a periphery of the periphery, (Belchev, 2012), ever seen in a state of "secular stagnation" (Bartlett, 2016).

Notions of Periphery

Even before Wallerstein's economy-based conceptualizations of center-dependency, the idea of an ever-delayed and reactive periphery as a political destiny was deeply rooted in the construction of Balkan history. So the Hungarian historian Ivan Berend spoke of "a communist rebellion, another form of revolt of the periphery" against "peripheral backwardness". For him, the communist experiment was part of a twentieth century rebellion of the unsuccessful peripheries, which were humiliated by economic backwardness and the increasing gap which separated them from the advanced Western core. ."The 'dual revolution' of the late eighteenth and early nineteenth centuries had no roots in this area and was unable to elevate these peripheral nations to the exclusive club of the rich, industrialized nations, with their well-functioning market automatism and nation states with stable parliamentary democracies." (Berend, 1996, p. xiii)

More than economically peripheral, Balkan marginality was construed as cultural. According to Larry Wolff, a historian of the concept *Eastern Europe*, the "identification of Eastern Europe as economic periphery involves, to a certain extent, taking the culturally constructed unity of the eighteenth century and projecting it backward to organize an earlier economic model liminality" (Wolff, 1994, p. 8). Liminality is a matter of back-projection. Since the 1990s, a critical discourse has risen against such conceptual closure or a "frozen image" in which the Balkans were seen primarily through the prism of dependency and inadequacy. A new, post-colonial perspective suggested by Maria Todorova in her *Imagining the Balkans* (1997) has proposed to call this perspective "balkanist", denoting a system of representations, value judgements and dichotomies, as it was gradually built and used by colonial powers. Rather than representing the Other of Europe, the Balkans in Todorova's perspective would have been constructed through ambivalence, and "balkanism" would be "a discourse about an imputed ambiguity." (Todorova, 1977, p. 14). In this perspective, the Balkans was a region that was part -European, part -Asian, part -civilized and part -barbarian, and always in process of Europeanization, yet with a tendency to remain ambiguous, and to "balkanize" its modernity.

Periphery is nevertheless not a self-explanatory notion. It includes a vantage point; there is a periphery from a certain point of view. Parts of the Balkans were of course a double periphery: a margin of the Ottoman Empire as well as margins of Europe or of European colonial projects at the same time. The Ottoman Balkans were also a controlled periphery of the imperial South.

Ottoman historiography reflected the Ottoman state-centric, center-periphery vision that saw the province as being dependent on the central government in Istanbul, without having a proper, independent existence. The center thus imposed control, order and stability and its "honour" on the periphery. As Ebru Boyar attests, one of the expressions of such a perspective was the Ottoman tendency, so similar to today's European view, to see local Slav uprisings "not as stemming from the inner dynamics of the periphery but as being incited from 'outside' the periphery" (Boyar, 2007, p. 57). A periphery in this perspective is by definition denied proper interest, a subjectivity, inner dynamics and is always under the influence: of that or another center. As a result, during the last century of Ottoman power, the center came to intervene in more forceful and "obtrusive" ways into the periphery in order to keep it tied to the center, sheltered from "alternative centers of power" (Boyar, 2007, p. 58) – represented by roaming Great Power consuls, nationalistic societies, and the press.

Double Periphery and Double Centrality

Periphery is first and foremost a contextual concept: a place can be peripheral in relation to one (or more) centers from a certain point of view. The Balkan Ottoman provinces were peripheral and dependent upon the centralizing political system based in Istanbul. The Sublime Porte denied them political independence, but feared the attraction of certain autonomist, nationalist forces within those provinces developed towards other centers. Hence, the Balkans were and are not just *a mere* periphery, but most often *a double periphery*, a place combining relations

of a peripheral kind with two or even more centers. Furthermore, a periphery can at the same time be a center of its own with its own arrays of peripheries.

The notion of periphery is therefore above all an expression of a certain perspective and it is itself also a projection: the question is which perspective, which "periphery" imposes itself at a particular point in history and which perspective solidifies one of many center-periphery relations into the destiny of a permanent periphery.

If we recognize the ambiguity of a periphery, and if we take another step and return the perspective of a double periphery, we gain a different view, that of a double centrality. The peripheries, constituted by a relation to a center, were also constituted by a relation to another center. All the more so when the periphery in question occupies a liminal position between two or more centers. Even more, when relations of control and influence are distant and when penetration by other centralities is possible.

This perspective of a double centrality downplays the dependence or one-sidedness of a peripheral relation and highlights a room for manoeuvre, a space for agency. Arzu Boyar attests to this again when she writes that in Rumelia, the Ottoman Balkan provinces, "in a nowadays familiar pattern", the peripheries entered into the logic and "tried to play off all the 'centers' that were available to it" (Boyar, 2007, p. 60) against each other. Indeed, nothing is more banal than this trope in the Balkans of tendencies to outweigh and "play against each other" the political and cultural attractiveness of the EU and Russia, and even the EU and Turkey. In a recent political speech in Sarajevo, Turkey's minister of foreign affairs Ahmet Davutoğlu laid out this double-sidedness of periphery and centrality: "... when we speak of the Balkans, we say it's the periphery of Europe. But is the Balkans really a periphery? No. It is the heartland of Africa-Eurasia. Where does this perception of periphery come from? If you asked Mehmet-Pasha Sokolović, he wouldn't have said that Sarajevo or Salonica were the periphery, whether of Europe or the Ottoman state. Look at history. The only exception in history is the Ottoman state. During Ottoman times, in the 16th century, the Balkans were at the center of world politics. That was the golden age of the Balkans" (Öktem, 2010, p. 26).

There are of course various types of dependence, influence and periphery-center relations: political in the *hard* sense of administrative and military on the one hand, and political in the *soft* sense of cultural and ideological on the other, and also all sorts of in-between relations, such as in clientelist or economic.. Hence, a region, a nation, or a group of people, can be placed in a position of a double periphery (Ottoman state as opposed to nationalist attraction and the meddling of Western consuls) or double centrality (the political allegiance and sovereignty of the Sultanic state in contrast to an allegiance to modern political ideologies and forms of governance). A double centrality can lead to inner conflict (for example for the critical, reformist subjects of the Sultans) or to a larger space of manoeuvre, or the increased agency of minority groups within the Ottoman sphere who are also represented and defended by outside powers and can play both centers off.) A double centrality would also mean a larger freedom from the centralising forces that are at their strongest, right in the center. A certain marginal position can, in certain circumstances, mean openness and a greater degree of agency.

What this chapter wants to explore is this second concept of peripheral position: the openness and agency. Obviously, not every and perhaps not even many of peripheral positions bring about such advantages – there is no reason for an uncritical idealization of the ambiguity of the margins. But, it would be short-sighted to invest the term of periphery uniquely with a negative connotation of dependency and backwardness: first of all, periphery should always be defined explicitly with regards to which center and what kind of relations; and secondly, it should be looked at in its complexity. For, as argued above, a position of multiple periphery might also mean a position of a multiple centrality in the sense of entertaining relations to multiple centers.

Changing the Perspective

There is no arguing about the fact that the Balkans - lacking a powerful political or cultural center - are defined by their peripheral situation; by a distant, yet tight relation to a center; by a clearly subaltern, yet sometimes somehow decisive position. While being clearly peripheral to many decisive historical trends such as capitalism and technological revolution, the Balkan nations were also paradoxically very close to the political and educational centers (Istanbul and Vienna) but still relatively free from other historical epicenters (Berlin, Cairo, and Moscow). Several historical developments have been played out in which the Balkan states have taken a belated, imitative route towards modernity, such as Yugoslav communism and Islamic modernism. Yet, during the unfolding and (according to the analysis) also thanks to its position of a liminal periphery, those routes have developed into hybrid and finally original phenomena.

The Balkanist perspective – viewing the periphery solely in one-sided, dependent and negative terms – is a perspective of cultural ascription: viewing the region through a unique, cultural dependable. Pavlos Hatzopoulos has defined his critical view as an ideological perspective: perceiving the Balkans solely through the prism of nationalism. In his own definition of Balkanism he argues that "the Balkans have been rigidly associated with backwardness, with extraordinary violence, with incessant strife. These traits have also been projected back into the history of the region, as if it had nothing substantial to show but them. Nationalism has been posited as the central concept that organises these representations. Nationalism has been considered, in other words, as the quintessential feature of Balkan societies and as the principal explanatory framework through which the past and the present of the Balkans is to be narrated" (Hatzopoulos, 2007, p. 1). In his work *The Balkans beyond Nationalism and Identity*, Hatzopoulos seeks to take up this view in its context, by applying to Balkan history this perspective of political ideologies and seeking empirical evidence supporting or disproving this perspective. In an "attempt to move beyond the nationalist horizon" he looked at alternative ideological directions, the non-nationalist ideologies (communism, liberal internationalism, and agrarianism) in the interwar period. He demonstrated how the existence, strength, and mutual competition of those non-nationalistic ideologies and especially their function as an alternative to nationalism brought about a distinct perspective,

different from the nationalist prism: showing political projects without a primary attachment to the national community.

While the author can never dispute the prevalence of nationalisms, a different look may give the Balkan societies parts of their complex history. He concludes that from the perspective of ideology, the Balkans is a political concept. "The Balkans are never, in other words, 'the Balkans as such'. The meaning of the Balkans is multiple: it changes in relation to how a particular ideology articulates it... The different, multiple meanings of the Balkans are alternatively a function of political ideologies and of ideological struggles. Ideologies are not simply viewpoints, but structures that constitute subjects and social practices" (Hatzopoulos, 2007, p. 185).

We may borrow his ideology-based perspective, and from the same viewpoint of exploring the agency of the periphery lies the old Cold War question, from 1961 concerning another ideology, communism: "Will the Communist empire absorb the Balkans, or will the Balkans absorb and 'Balkanize' communism' – both options precluding the coexistence of communism and the Balkans" (Campbell, 1963, p. 369, quoted in Hatzopoulos, 2007, p. 2). Without going into historical details, Balkan communisms are practical examples of localised ideological praxis for the sake of the perspective argument. Knowing that in the Eastern Block there was no one model of communism; communist states developed their own model of national communism. Yet significant differences prevailed between countries under a more direct influence of the quasi-imperial center in Moscow and those who were able to escape it. Central European states, despite their tendencies to develop nationalism, were not allowed to take a truly national path: the Hungarian experiment ended in 1956, the Czech Spring was put down by an invasion of the Soviet bloc armies in 1968 and Poland's Solidarity agitation was asphyxiated by national forces through a decade-long martial law. Yet, Tito's Yugoslavia, Hoxha's Albania and even, to a lesser degree, Ceausescu's Romania had developed distinctively different models of national communism (Gripp, 1960). Be it in the architecture of state control and development (Albania and Romania) or even through the original ideological model of *radničko samoupravljanje* (workers' self-management) the Balkan states at the peripheries of the communist empire could use a much larger degree of factual geopolitical autonomy than other communist satellites.

The apex was of course the relatively liberal and at least formally more democratic Yugoslav communist ideology and the usage Marshall Tito made of his autonomy and popularity to play the two blocs against each other within the non-aligned movement. Here, a double centrality was at its highest point: Tito's Yugoslavia built its 40-year-long inner homogeneity – unprecedented for a supranational federal system in the Balkans – on the prestige from the anti-Nazi victory, not only on the ideology of communist Yugoslavism, but also on the favours coming from the West in terms of support, investments, loans and prestige.

While Yugoslavia's leftist and liberal alternative to Stalinism exercised a strong attraction on smaller developing nations and on the European left well into the 1990s, it clearly does not

cut a good example any more. Not only because nationalist mobilization and the subsequent violent dislocation of Yugoslavia have shown how much of a hollowed system Titoist Yugoslavia was: It was through its usage of its marginality and by playing the Great Powers off against each other so successfully that it managed to gain a dangerous amount of cash and mask structural inefficiencies, social conflicts and regional disparities under an illusion of ideological prosperity. But above all, the ideological hybridity had lost its attraction: a national or a supra-national ideology may be intellectually intriguing but needs to be buttressed by an institutional basis and a workable governance praxis to function as an example to investigate and follow. When we ask ourselves how to bring about a different perspective on periphery – may be akin to the history making Titoist ideology and foreign policy – we need better examples that just some interesting ideological figures.

Balkan Peripheries of Islam

While the 19th century gave the Balkans a role of coveted periphery between the Ottomans, the Russian, the Austro-Hungarian and the German Empires, the 20th century has introduced the bipolar model. Within this framework, by using the cunning of a uniquely peripheral position, Titoist Yugoslavia was able to emerge as a largely autonomous agent. The 21st century has redefined centrality and peripherality again. Neither the centers nor the relationship are the same. The levels on which center-periphery relations have shifted again, from the anti-colonial movements for national autonomy and passing through the ideologically defined bipolar straight-jacket of the Cold War to today's relations as part of the globalized, multi-polar and connected world. Examples of a productive double centrality must be sought elsewhere, for example at a sub-national level.

One open notion of periphery that makes sense in today's context is the notion of *the periphery of Islam* – that is, at a periphery of so-called civilizations. Whatever the reasons, oppositions are more and more often built in terms of the largely fictional entities of civilizations. Civilizations are complexes of geopolitical alliances, trade agreements, networks, educational and intellectual gravitation, ideological and political affinities and cultural influences that most of the time overlap with other "civilizations" within the same countries. So the Muslim societies of the Balkans are, at the same time, part of a European sphere, yet part of the Islamic world. On the one hand, democratic aspirations, secular statehood, educational and trade relations, migration and labour flows orientate the Balkan countries mostly towards Europe, while on the other hand and at the same time societies become involved in various manners (educational, economic, intellectual) with the larger Islamic world. In both aspects, the Balkan Muslims societies are and have always been peripheral. They do not hold influence over the respective centers but are nevertheless penetrated by them. Still, as this text seeks to show, margins or periphery may not hold only negative contents. The periphery of Islam in the Balkans may actually hold a concrete possibility of an autonomous development just because of its peripheral situation in between centers.

Islamic Core and Periphery

The notion of an Islamic civilizational core and outlying peripheries is as simple and convincing as it can be misleading. In the eyes of religious history and Islam's normative sources, the core lies in the Arabic peninsula: in Mecca and Medina. The Islamic core is Arab and Middle Eastern. Yet Islam's core aside, the centres in terms of civilizations – intellectual and political power – and in terms of imperial structures, those centers kept shifting: from Arabia to Damascus and Baghdad in the early Middle Ages; then to Cairo and Istanbul in 16th century, where they remained until the dismemberment of the Ottoman Empire. In yet another meaning, "centers" increasingly meant the place from which intellectual, reformist and finally anti-colonial movements propagated to upend old orders. Next to centers of traditional learning, new centers rewrote Islamic geography as a result of various revivalist movements. Their schools, be they educational institutions or loose networks gathered around a journal or a club - Deobandi, Barelwi, Wahhabi, islahi, ikhwani, salafi – decentred the Islamic world. In the 20th century, the civilizational geography was rewritten once more: Cairo, Damascus, Beirut, Algiers with their reformist agendas ceded place to traditional centers that reclaimed position: the conservative Saudi power, modernising Turkey, or the ideological fighting ground in Cairo.

There will never be a consensus over what exactly constitutes a center and which place is a center at a given point in time. Generally, as in previously mentioned theories, centers exercise influence, function as relays between various other parts, set the agenda, and function as places of innovation. But in another times, when linked to a state power, they function as stabilising and even asphyxiating structures. On the other hand, there is no doubt that a periphery can be a place for innovation. Ozay Mehmet, in his *Islamic Identity and Development: Studies of the Islamic Periphery* showed how peripheral Turkey and Malaysia contributed to the dilemmas of modernization in 20th century through their decidedly secularist and nationalizing public policy. The modernization strategy that decidedly took an opposing course to that of the Saudi or Egyptian revivalists, paradoxically led to some development: "While countries in the Islamic Periphery have taken major steps in reopening the 'Gate of Ijtihad', the Islamic Core lags behind. It is in the Core that Islamic fundamentalism carries its greatest force" (Mehmet 1991, p. 72). Mehmet refers to the second aspect of center-dependency. In a fast changing, ideological world, it can be asphyxiating, depending on which particular ideology and which political confrontation defines the actions of the core.

In the 20th century, Islam's centres again shifted towards the Persian Gulf. Economically, politically, and even culturally, Saudi Arabia and the Emirates have taken over the position of influence from Cairo, Baghdad and Damascus. All three capitals of independent socialist Arab republics have transformed from relatively liberal, culturally vibrant places to megapoles with a very limited public space. The confrontation between authoritarian states and their Islamic oppositions has played out increasingly over religious matters, in which fundamentalist

efforts to Islamize civil societies led to a total politicization of Islam. Hence, debates and intellectual production, religious and educational institutions were made target of ideological attacks by fundamentalists seeking to impose a new, counterhegemonic Islamist project (Kandil, 2011). As a result, critical and innovative cultural production was subdued.

European Peripheries of Islam

The peripheries of Islam were spared the fundamentalists' cultural war and the ideological control of states that developed in former centers. Dietrich Reetz showed how "a triangular conflict between 'local', revivalist and modernist Islam" played itself out in the Muslim heartlands and their peripheries (Reetz, 2009). In many cases, unlike in the centers, modernist aspirations have had a long-lasting effect in the peripheries of Islam.

The Balkans were one such region. Islamic modernism was imported by intellectuals returning from their studies in Egypt in the early years of the 20th century. Bosnia especially proved a fertile ground for modernism. Since the occupation by Austria Hungary in 1878, Bosnia and Herzegovina underwent rapid social and economic modernization and a process of autonomization. Bosnian Muslims who then constituted a plurality of Bosnian inhabitants, were recognized as an autonomous religious community. In 1882, the Austrian Emperor nominated the Sarajevo Mufti a *reis-ul-ulema* – the head of Bosnian religious scholars, independently from the High Port in Istanbul. Refusing to have the Austrians administer their religious endowments, Bosnian Muslims organised a campaign for religious and financial autonomy. In 1909, the Kaiser accepted the claims and granted the Status of the autonomous Islamic community in Bosnia, making it a self-administered, self-financed and religiously independent Islamic community. The first reis-ul-ulema Bosnian Muslims elected was Džemaludin Čaušević, a modernist intellectual and a theological reformer who did not shun from arguing for women's rights and from admiring the modernist policies of Kemal Ataturk.

The fact that Bosnians had an autonomous Islamic community and were free to appoint their religious authorities, judges and teachers themselves (with the official seal being given by the Austrian state) meant that modernism was able to develop serious positions on issues of religious and social reform. The first decades of the 20th century were marked by debates between traditionalists and modernists. Even if Čaušević's modernists did not always have the upper hand, progressive thought in social issues, rationalism in theology and ijtihad in legal theory became established intellectual positions (Bougarel, 2017, pp. 22-23).

Rationalism and reformism were rooted in newly formed institutions. In 1887, the Austrian state financed and opened a High School for Sharia judges who were taught Ottoman sharia law and European law to be able to serve in officially recognized Sharia courts, incorporated locally to Austrian legal system. Along with modern law conceptions, the students were also taught courses in modern European thought. Several generations of students laid the ground for public intellectuals of Islamic and modern learning. Decades later, when in 1978

the school reopened as a Faculty of Islamic theology, the later leaders made rationalism and modernism their school's main line. Since the re-foundation by Husein Đozo, the Faculty is the most prestigious of Islamic learning in the Balkans and also the bastion of open-minded religious thought, seeking to integrate Islamic tradition and European modern thought.

Recent debates on Islamic tradition have shown just how far reformist thinking became a part of Bosnian Muslim identity. In an influential definition of the Islamic tradition of the Bosniaks, the legal scholar Fikret Karčić included modernism along with 5 other sources of Bosnian tradition: 1) hanafi-maturidi doctrinal belonging, 2) Ottoman-Islamic cultural heritage, 3) islamization of pre-Ottoman practices, 4) the tradition of Islamic reformism in the interpretation of Islam, 5) the institutionalization of Islam in the form of the Islamic Community and 6) the practice of the expression of Islam in a secular state (Karčić, 2006).

The consequences of such rootedness of reformism are not inconsequential. Today's professors, Đozo's students are those who develop today a very European definition of Islamic secularity. The legal scholar Fikret Karčić reflects on a shift in the understanding of Islam from a societal and political order, sanctioned by the state (such as Ottoman Empire) towards an understanding of religion within a secular order, restricted to the realm of ethical and not legal norms. Enes Karić, a professor at the Faculty of Islamic Studies, argues that secular states, that is, religiously neutral states represent a positive framework for traditional religious communities. Rather than ideology, religion gets "interpreted more as a faith, as a morality and as a basis for ethical norms." (Karić 2009).

Bosnian Muslim intellectuals thus keep a lively reformist tradition alive to the extent that Bosnian Islamic tradition is often taken as a possible perspective for a European Islam. Whether the institutions, interpretations and practice can really represent a transferable model for Muslim minorities in Europe is a contested question. (Mieke 2012, Jevtić 2017, Šuško 2017). It remains that Bosnian Islamic thought and institutions have the ability to combine both Islamic values and methods of justification, and a modern European orientation. Such openness is rather rare in the Islamic world. In many countries with an Islamic core, debates such as those held in Bosnia would not be able to develop in the public sphere. Even relatively free and complex countries such as Turkey are currently characterised by a strong ideologization of religious discourse.

What allowed Bosnia to be spared the fundamentalist storms of the Islamic cores was the marginality of Balkan Islam. The Bosnian Islamic tradition developed on a periphery, under the "protection" of the Austrian Empire, where it fought for autonomy at the margins of the Empire and then, it developed behind the Iron curtain. But there was more to it than that. There are other relatively secular, post-communist Muslim societies such as Azerbaijan and Uzbekistan, where Islam sought to survive under the secularist lid, yet where little cultural development attests to its livelihood as a tradition. Bosnia was a different case: it was not only placed on a periphery, but it stood in relation to two cultural and political centers: the

religious center in Istanbul and the rational-political order of Vienna. Hence Bosnia's Islamic tradition developed also in relation to European modernising states.

This double relation, the double centrality of a Balkan Islam in Bosnia, makes it one of the rare countries – perhaps along with Tunisia – where secular state, reformist theology and lively intellectual debate are part of the national identity. Able to reconnect with its reformist part, able to combine modern state and traditional identity, the autonomous tradition of the Bosniaks are now studied as a possible model for another Islamic periphery, that of European Muslim diasporas.

Conclusion

The Balkans are all too often situated on the periphery. While the position at the margins seems undoubtable, there is little thought given to the notion of periphery. Instead of viewing the Balkans through a negative prism, and seeing the region as an "incomplete self" of Europe and as a region permanently short of modernization, this paper suggest a different, more balanced perspective. Peripherality means not just being marginal, but also having a relation to a center. Where more such relations exist – in cultural, economic, administrative, and ideological terms – a region may be a double periphery, with a double centrality and competing relations to centers. Further, a center is not always synonymous with development, dynamism or progress; a center may have a controlling and asphyxiating impact. Consequently, a complex periphery with manifold relations to centers may be a space of agency. The Balkans are an example of such a peripheral space: when we borrow Hatzopoulous' perspective and watch ideologies, institutions and their local logic, there are historical (Yugoslav communism) and contemporary (Islamic reformism) examples of such a productive peripherality. The second example portraying the Balkans as a productive periphery of Islam, may be more consequential today, as is shows the possibilities of an autonomous intellectual and institutional development at the margins of two cultural systems, such as the Islamic tradition and the modern state system.

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The Blind Spot of Balkanism

Elizabeta Sheleva

Abstract

This chapter argues against a hidden orientalism, or balkanism, which has paradoxically been revealed in Maria Todorova's highly influential book *Imagining the Balkans* (1997). Despite this, the very book in question remains well known and has been widely acclaimed for its' imagological turn, which has proposed a new operative tool, or key term, in order to design the discursive space a hitherto unrecognized of, internal European colonialism towards the Balkans. The treatment of Macedonia in Todorova's theoretical "bestseller" confirms the incorporated effect of both a historically and culturally grounded neglect as well as a hidden orientalization of the Macedonian Other. In other words, the presence of a blind spot at the very core of balkanism, overshading its declarative emancipatory approach, otherwise implemented in the book. The process of the perpetual "othering" of Macedonia can be recognized this time through the tendency of Todorova's book to (re)present and describe Macedonia, using simply the perspective of a landscape, whilst unconsciously or, rather, intentionally omitting its historical, and also its contemporary achievements. More precisely, Macedonia's prominent authors and their work, referring to the topic of Balkan, in the domain of art and culture, which today are also well known abroad. This process of "landscapization" or exoticizing is already recognized as one of the fundamentally colonizing discursive strategies, thereby justifying its paternalist attitude of dominance over the exotic Other. Therefore, we hope that the author, for the sake of true post-colonial objectivity and open-mindedness, could take into consideration our academic objection and compensate for it, by simply adding the names, as well as the creative contribution of Macedonian authors, artists and intellectuals, in future editions of her book.

Key words: Balkanism, Orientalism, nesting Orientalism, the Other, E. Said, M. Todorova, cultural imperialism, Macedonia.

"The East has always existed as an elastic and ambiguous concept. Everyone has had one's own Orient, pertaining to space or time, most often to both. The perception of the Orient has been, therefore, relational, depending on the normative value set and the observation point." (Todorova, 2010, p. 12)

This chapter aims to open up a dialogic, academic and principled discussion on Maria Todorova's Imagin*ing the Balkans*, a work of great importance for promoting a new imagological category that serves as a tool for intercultural analysis, labelled as balkanism**.** Since it was first published in English in 1997, the book *Imagining the Balkans* instigated a series of papers and thoughts, whilst establishing itself as referent groundwork for all prevailing debates on the Balkans. An eloquent example, that shows how balkanism has been adopted as an unavoidable analytical tool when the actual situations are in question, has been demonstrated by a number of political articles, published nine years after the publication of the first edition of Todorova's book; such as Chirjakovich (2006); and Frchkovski (2006).

My initial contact with this work took place in 1998 whilst translating a chapter of Rastko Mochnik's "Theory for Our Times" called "Balkans through images". Consequently, I read the Serbian edition of Todorova's book with a great deal of enthusiasm, delight and admiration, for it finally enabled a cultural reinterpretation and rehabilitation of Balkan identity through the prism of the new, de-colonializing imagology, which under the expression of Orientalism had initially been introduced by Edward Said.

The Macedonian translation of this important book came out, rather symptomatically, in 2001, which was to be a historically significant year for the newly independent Macedonian state, due to the Macedonian and Albanian conflict and the establishment of the *Ohrid Framework Agreement*.

Inspite of all this, what really interests me about *Imagining the Balkans* is the kind of representation Macedonia has received in this extensive text. By this, I do not mean the archaic and the "traveloguesque" treatment that Macedonia has had in the past, but rather the on-going and "epistemological" discourse of Macedonia, "administered" by the author of this book herself, the Bulgarian-born historian Maria Todorova! I ask myself this out of purely academic reasons, because as an academic who deals in this area I am deeply concerned and intrigued by the very "academic correctness" of Todorova's book; as well as by any other book that is vitally bound to and versed in precisely this cultural, as well as epistemological space. So, a brief cursory walk through the index of terms and bibliographical citations will show that from among the plethora of Macedonian historians only Aleksandar Matkovski (1992) and Hristo Andonov Poljanski (1966) are enumerated as referential names.

Macedonia itself as a geographical space is mentioned a few times, mainly in travelogues by authors from the English-speaking area: amongst whom eminently indicative examples that stand out are the entries from 1907 about the medical physician Tsveta Boyova and her work with the Macedonian troops in Shtip (Todorova, p. 20); and from 1921 about Macedonia as a

terrorist region – as in the case of the abduction of Miss Stone – together with the observations on the astute and natural aptitude of the Macedonian populace towards barbarism(Todorova, p. 172). As an indispensable illustration we shall only mention the entry about Doctor Tsveta Boyova from 1907, designed as Maria Todorova herself favours:

> The one woman who excited Smith's imagination did so because of qualities ostensibly held as masculine in this period, despite his insistence that she was 'feminine to the core'. She was the Bulgarian Tsveta Boyova, born in a Macedonian village, who had graduated in medicine from the University of Sofia and, after having lost her husband, father, and two brothers in a Turkish raid had offered her services as nurse and doctor to the Macedonian bands. Smith was enchanted to be served a three-course meal by a woman who, lacking enough silverware washed it after each course. (...) Describing her as a sui generis Joan of Arc, Smith was evidently taken by the indefinable quality of Boyova. (Todorova, 2009, p. 15)

The "exiguous" ethnic discrepancy over the "Bulgarian woman" born in a Macedonian village may be noticed in passing! Furthermore, note the curious comment about her having a transgender nature, or better still the characterization of her personality at the same time as 'feminine to the core' and in possession of 'typical male qualities' (and within that eminently embedded in masculinity as a regulative gendered attribute of balkanism).

Nevertheless, in a chapter entitled "Balkans as Self-designation" in Todorova's book, there is an elaboration of analytical textual citations and analysis of all Balkan intellectuals and authors *with the exclusion/exception of only the Macedonian ones!* However, this inset has no intention whatsoever to heat up the notorious argument over identities, which have been quiescently or bluntly held between Macedonian and Bulgarian authors. Macedonia has already actualised and affirmed its own referential and relevant cultural identity that is not liable to any additional abnegation or validation. Regardless, it succumbs to the scarcely ideologically naïve or innocent act of connivance, evasion and disregard, in whose motives I would like to principally engage.

Scholarship has for a long time affirmed that each and every perception and recognition of identity itself, implicitly brings out its valorisation and its acknowledgement. These are the key assumptions in the process of the verification and legitimization of a certain individual or national identity. Therefore, the very connivance and evasion of facts, individuals, opinions, and works of art from Macedonian contemporary cultural history, which are preferentially connected with the Balkans as a self-designation, as stated in Todorova's book, results in a temporal "delay" of Macedonia in the past, and on the other hand her valuable, culturally-productive naturalization, after it is previously reduced to a mere geographical term.

Macedonia in Todorova's text continues to dwell and function as the author's "own Orient", as a fundamental cultural Other, and even more as balkanism's ultimate spot. Macedonia is the

last referential border whose existence conserves "the northern border fighter's ideology", specific for the mentality of Balkans, as described by Rastko Mochnik in his book *Theory for Our Time*. Macedonia is the crucial, epistemological indicator that even the anti-balkanist ideology is not immune to the tendencies of a still functional, inner or latent orientalism or the reproduction, nesting and upgrading of the Orients as Milica Bakic-Heyden (2002) claims it in her study of "Nesting Orientalism".

Todorova's treatment of Macedonia in her theoretical best-seller precisely confirms the embedded effect of the cultural-historical unconsciousness, as well as the hidden orientalization of the Macedonian Other, that discredits an otherwise valuable balkanist discourse from within, whilst revealing its cognitive and theoretical incoherency and counter-productive "blind spot". Avoiding, or neglecting someone 's cultural visibility, both in public discourse, as well, as in academic papers, in itself points to one more curious reference, indicative for recognizing a certain model of the "politics of representation", namely the non-visibility of contemporary Macedonian intellectuals as well as artists. Considering this, the recent discourse on balkanism, unexpectedly reveals the internal or conceptual blindness of its author, including the perseverance of her hidden, or crypto-colonialism. In other words , Macedonia remains the last notable case of the strategy of oriental Othering of the Balkans, which still reigns in the discursive, as well as in a cultural context, revealing otherwise hidden contradictions of balkanism's seemingly emancipatory discourse, as originally conceived by Maria Todorova.

Therefore, whenever Macedonia is at stake, the "Imaginary Balkans" principal and programmatic plea, for overruling and exposing the Balkans as an imagological Otherness of Europe, is denounced as a purely declarative and unfinished task. Todorova's book, paradoxically, proves how stoical the functional matrix of the institution of the Balkans is. According to Rastko Mochnik, the relational pattern of the "Balkan cross" is marked by the feature of servility in the vertical, hierarchical relations towards the big European Other and, as a consequence, the feature of animosity in the horizontal, mutual relations towards the small, Balkan Other, the neighbour.

As the feminist theoretician Rosi Braidotti attests, the proclamation of the Other is in itself an hierarchical operation, whilst the Other is an hierarchical category. Therefore, the once proclaimed Other obeys certain consequences just because of its hetero-position. The Other is subjected to orientalization and, according to Anastasia Karakasidou, altogether, to a more or less expressed, degree of barbarity. Since antiquity, the discourse on barbarity has been based on the symbolic geographical premise of barbarity, as "a condition of the Eastern neighbour", as defined by Neal Ascherson (1997) in his article which studies the ancient, Hellenic origins of discursive "framing" of the phenomenon of barbarism as a counter-culture of the unintelligible other.

In conclusion, the book about the "Imaginary Balkans" administers an orientalization of Macedonia that regularly confirms the above-cited extract , signed by Todorova herself,

meaning that "everyone has their own Orient". The Orient's location is consequently primarily relational, though, less in a geographical than in a cultural-historical, politically ideological or pragmatic sense! The very orientalization itself can, to a certain extent, be an unconscious act, but it essentially derives from the need for self-positioning and self-legitimizing, contrary to the "other side" of the Oriental Otherness that is in itself perceived as being less desirable and is considered to be culturally inferior, or, irrelevant.

The act of orientalization in Todorova's work effectuates in a manner that minimizes or reduces Macedonia to a level where it is just presented as a geographical concept or indicator, whilst her abundant cultural history and contemporary understanding are not even considered as being relevant to the debate over balkanism. In other words, even this, basically emancipatory book does not remain immune to the Balkan temptation, to keep the patronizing voice over the other, proclaiming it in a way, that once was ironically formulated by Rastko Mochnik in his Sartrian sentence: "Balkan – that is [the] Others". If nothing more, that alone proves the epistemological premises of the post-colonial criticism, that "all scientific projects —including the modern ones — are situational", or, in the words of Sandra Harding, locally situated or predetermined systems of knowledge.

World scholarship (as a knowledge system) is therefore exceedingly careful today with regard to the insight into the undeniable situated-ness of knowledge and, moreover, the essential role played by the politics of knowledge. The so-called epistemological standpoint insists on one basic principle, that there is no such thing as a neutral observation, nor such a possibility as innocent eyes.

Furthermore, in the preparatory process for this chapter, one more argument also appeared, that could be briefly noted at the end of our discussion. Namely, the recently published, co-authored book by Svetlana Slapšak and Marina Matešić *Gender and Balkan*, which opens another, pretty seminal point with regard to the reconsideration of balkanism, or Balkan orientalism, regarding its indicative gender positioning and attribution. According to both authors, a gender-sensitive approach to these Balkan travelogues, written not only by male but even more so, by female European writers, points in addition to an as yet neglected type of colonialism. It is that of gender colonialism, also inscribed and, more or less conceived, in these paradigmatic works, which constitute the narrative on balkanism.

Aside from this improved gender sensitive reading of balkanism, the above-mentioned authors also consider the presence of *crypto-colonialism* in the mutual, politically enforced relations of Balkan cultures, supporting the fundamental processes of recent national re-inventing, re-building or, simply, re-branding of Balkan cultures and newly established states. Being recognised or identified as "oriental" as someone's determining cultural feature is differently perceived and evaluated in the West, unlike in the East. What proves to be a curiosity issue for the West appears to be a traumatic one for the Balkans. Therefore, the Balkans try to deny their oriental, or Balkan attributes, in order to re-establish a new, more desirable and westernized national identity. Balkan orientalism serves to fulfil one's,

politically opportune and desirable identitarian shift, in order to meet the actual, conjunctural demands of contemporary national re-branding.

To conclude: the discussion on the profoundly "situational" premises of the actual politics of knowledge is necessary, not only here, over in the Balkans, but all around the globe, because the rest of the theoreticians and academics are by default deeply influenced by it in each of their appearances in their homeland, or abroad. Such an epistemological standpoint relativizes and epistemologically contextualizes each individual theoretical voice at large, indispensably taking care of the influence of the, at all times, concrete pragmatics and politics of knowledge over their articulation process. World authorities, even from our area of studies, do not stay immune to their thorough and regulative impact.

Therefore, even with the self-proclaimed against balkanism as a hidden tool of imagological colonization, Todorova's book is not yet de-colonized enough. It regards Macedonia simply as an "eroticized" and pretty much irrelevant cultural space, taking into account only its natural landscapes, while ignoring its internationally renowned artists and academics as contemporary "representatives" of Macedonia's point of view. Thus, what remains for us is the commitment to programmatically overcoming the still abiding and counter -productive academic subalternity.

We, the scholars coming from and living in the Balkans, like it or not, are pretty determined by the fact, that we are obliged to double-write about the Balkan; in that, we write differently for the locals and respectively for the "foreigners". Also, the rhetoric that we commonly use is preferably adapted or conditioned in relation to its (further) reader, recipient and audience, be it a Balkan or a European and Western one. So, it is of vital importance, and it will remain as our further duty, to commonly recognize, articulate and consciously follow the strategic purposes and interests of our specific "local epistemology" and our micro-politics of knowledge, as it used to be done perfectly in past centuries, on the behalf of Western scholarship and its well-grounded, socio-political interests.

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PART TWO:
THE BERLIN PROCESS AND BEYOND

Balkans in the European Union

Zlat Milovanovic

Abstract

In 2003, in Salonica, Balkan countries were told that "their future lies in the EU". The Berlin process in 2014 provided a framework for a period of four years. In 2017, President Juncker, speaking of all non-EU Balkan countries except Turkey, estimated the first accessions would potentially take place in 2025! The Berlin process seeks to restore stability in the Balkans by leading to reconciliation. It includes new fact-finding commissions to establish the real facts in order to restore friendly relations, efforts to build economic links in transport and communication and new roads, establishment of a Western Balkan Common Market as a new partner for the EU, EFTA, and the EEA, and a new partnership among its member countries. The European Council will meet the Balkan heads of state in Sofia, Bulgaria, in April 2018. Without stability in the Balkans, there cannot be a stable Europe. In this paper we look at how to keep the Berlin process open and successful, possibly to accelerate it, and how to overcome current challenges. Notably, we look at the "deterioration of democratic standards" in some countries, which will have to be stopped and reversed. The conclusions support positive decision-making outcomes at all levels.

Key words: Western Balkans, the Berlin process, unresolved issues, EU future, progress.

Introduction

To assess the costs and benefits of EU membership, Balkan candidate countries must pay careful attention to the twists and turns of the EU's history and weigh the competing strands of thought that will shape, in yet unclear ways, the future of the EU.

The EU has a long history prior to Salonica 2003 and its opening up to the Balkans. It is a history of some 43 years of intensive activity, occasional somnolence, and of bold leaps forward. At times, the French opposed and slowed down federalization, as they did British membership. At times, the British took the main opposition role while France and Germany increased their cooperation. The French prevented the adoption of the two proposed EU constitutions, while the British prevented the creation of a European Army and rejected the Social Charter, the Schengen Agreement, and the Euro, all of which they saw as contrary to their own interests. The Norwegians rejected EU membership in a referendum but accepted the common economic area. The Greeks shook the financial arrangements of the EU and now may be paying their debt for the next 40 years. Italy may decide to leave the EU and the Eurozone. Brexit could conceivably be followed by a Grexit and even further departures. Neither past history nor possible future developments suggest a straight predictable trajectory for the EU which Balkan nations seek to join.

It matters for the Balkans what the EU will be like tomorrow, just as it matters to the EU what the Balkans will be like once they meet membership criteria – whatever those criteria may be in the future. It is normal for the EU to look out for its interests in considering enlargement. It is equally normal, and indeed necessary, for the candidates from the Balkans to decide their destiny as have other nations – on the basis of their interests as perceived by their governments and their citizens.

The Concept of 'Western Balkans'

The neologism "Western Balkans" as used by the EU does not correspond to traditional geography or history. The term Balkans is more accurate. Ljubisa Georgievski (2004) has suggested South Central Balkans as a more accurate term. Geographically, the Western Balkans include Slovenia, Croatia and all of former Yugoslavia. The Eastern Balkans include: Romania, Bulgaria, Greece, Turkey, Cyprus and possibly Moldova (New Columbia Encyclopedia, 1963).

Likewise, Eastern and Western Europe are political rather than geographic categories. For instance, Finland, Sweden and a part of Norway are in Eastern Europe, while they count as Western Europe. The name Europe, Europa is inherited from ancient times. The Greek states and Macedonia were the first and only Europe. Europa's arrival is a symbol of European civilization, which came from the Middle East. Later, Kings Philip and Alexander were the first to unify Greek city-states and the prosperous countries of Asia and Africa. Europe began its expansion East and South, while the West was still underdeveloped.

The division of the East and the West resulted from the weakness of Rome, which was then the largest empire in the world. In 476 AD, barbarian attacks divided the Roman Empire into Western and Eastern parts. The Eastern Empire survived some eight to ten centuries, as the Empire of the Romai (i.e. Romans of the East). The line of division is unclear: for some, it was the line Trieste to Danzig (Gdansk), for others it was along the rivers Drina, Bojana and on to Scutari. The Western Empire, founded by Charlemagne in 806 (AD), covered most of the territory of the EU (Judt, 2011).

Before the Second World War, the Balkan nations were a part of the West. They participated in creating the most advanced solutions of that period, e.g. the renunciation of war convention in 1929 and the European Federation of Nations in 1930.

The EU, with its current 28 member states, is the first attempt to unify all of Europe in modern times. The Treaty of Rome (Art 237) states that every nation of Europe has the right to apply and become a member of the EU. The Community can conclude agreements with a third state, a union of states, or an international organization, creating an association characterized by reciprocal rights and obligations, common actions and specific procedures. Such agreements are concluded by the unanimous Council, after consultation with the Assembly (Art. 238). It is assumed that those joining meet the conditions for membership.

Having all of this in mind, the concept of Western Balkans is unacceptable. It contributes to the impression that the six Balkan countries already in the EU have left the Balkans and are not to be held to the same standards. On the contrary, it should be clear that they are expected to cooperate as good neighbors and in solidarity with other Balkan countries. If Bulgaria is to preside over the so-called Western Balkan group, this is a positive step in the right direction. An all-Balkan group in the EU is preferable to an artificial Western group in the East! This all-Balkan group should be a natural link with European countries farther East – as well as with Mediterranean countries. Turkey is logically a part of the Balkans, as are its neighbors, mainly in the Middle East.

The Berlin Process

Back in 2003, in Salonika, the future looked brighter. Greece expressed its hope that all Balkan countries would be in the EU by 2014. As this didn't happen, Angela Merkel launched a new diplomatic initiative. Representatives of Germany, France, Austria and Italy met with representatives of the non-member Balkan countries, in Berlin. This was followed by a Vienna summit in 2015, the Paris summit in 2016, and the Trieste summit in 2017 intended to improve regional cooperation among Western Balkan countries and their multilateral contacts with EU countries. All participants were very interested in this initiative for the Balkan countries and the EU to work together on the future accession of the Balkans to the EU, especially as it had earlier appeared that the EU was not paying attention to this region and the realization of its EU aspirations.

The meetings dealt with economic development and infrastructural improvements. The Balkan countries cooperated with the EU on the issues of refugees which contributed to the renewed EU action. The EU Commission's reports on Balkan countries, such as those on Macedonia in 2013-2017, were predominantly positive despite the slowing down of real progress. Externally, the tensions among Western Balkan countries increased and "the EU had woken up to the dramatic deterioration of democratic standards" (Fouere, 2018). In its Communication on Enlargement, the European Commission reported on some countries showing clear symptoms and varying degrees of "state capture" (Fouere, 2018). What was shown in the case of the Western Balkans was "the state control of civil society", and the media, "some engaging in hate speech", intimidation tactics against the government's critics, and nationalist rhetoric. In education there were attempts to rewrite history, increase ethnic divisions, and push neutral minorities toward conflict. The OSCE, the Council of Europe and other organizations noticed these tendencies.

President of France, Emmanuel Macron said in his speech at the Sorbonne on September 26, 2017: "When they, (the Balkan non-members), fully respect the acquis and democratic requirements, the EU will have to open itself to the Balkan countries, because our EU is still attractive and its aura is a key factor of peace and stability on the continent. They will have to respect the conditions stipulated... They should not turn their backs on Europe and move towards either Russia or Turkey, or towards authoritarian powers that do not currently uphold our values" (Macron, 2017). In other words, he had some doubts, unlike the case of Great Britain, which, if it desires at some future time, will find its place once again in the EU. As for Angela Merkel, she has made no new statements since September, concentrating instead on negotiating to form a new government coalition in Germany.

In other words, the Balkan countries will have to adopt the acquis and the democratic requirements internally and will have to cooperate among themselves to achieve reconciliation, leading to greater stability in the area. Bilateral and multilateral negotiations among Balkan countries offer a clear chance to achieve the latter goal. For instance, Macedonian-Bulgarian relations and mutual understanding were improved in the summer of 2017. The Macedonian and Greek Prime ministers met in Davos (in January 2018) and again subsequently in their own countries, to talk about the name issue and future relations between the two countries. Bosnia is in different position, as its entities have important differences among themselves.

Going beyond what is already being implemented pursuant to EU/Western Balkan initiatives, a Truth and Conciliation Commission, like in South Africa, would be a good idea.

The most ambitious part of the plan is to establish a Common Market among the countries involved in the Berlin process. A market of almost 20 million people is expected to be created, along the model of the Visegrad countries before they joined the EU. This Common Market will be able to organize cooperation among the Balkan non-member states. This new Common Market will be able to cooperate with the EU countries and with other regional organizations, such as EEA, EFTA, and with other nations, such as the U.S., Britain, and Canada. Aside from

economic and commercial benefits to the participants, implementation of this initiative could create new, positive habits of collaboration and cooperation in the Western Balkan region and a sense that the region has something to gain in trade relations from thinking and acting as a group

An inaugural Western Balkans digitalization conference is scheduled for March 2018. There has already been some success with planning roads, transportation, energy connectivity, and communications. A Regional Youth Cooperation Council (RYCO) has been established following an agreement in Paris in 2016 and further discussion in 2017 in Trieste. The RYCO is modelled on the Franco-German Youth Office.

The Berlin process will continue as long as it can help Balkan countries reach their goals. In its Enlargement Strategy Paper, the European Commission should: set out a vision of transformation of the Western Balkan countries into functioning democracies with accountable governments and viable economies; and address the principles of the rule of law and fundamental rights (Fouere, 2018). Pre-accession funds should also be increased in order to accelerate the process (Fouere, 2018).

Given Balkan countries' growth in 2017 of 2.6 per cent, expected growth of 3.3 per centin 2018, and of 3.6 per cent in 2019, it would take some 15-20 years for the region to catch up with the EU's current average performance. While Balkan nations are making important if small attempts to overcome the ghosts of the past, in at least a number of countries in Europe and beyond, steps are being taken to resurrect the past to bring back nationalism, populism and conservatism (The Economist, 2017).

Unless, they continue to apply and be considered one by one, which would take much more time than now envisioned, the Berlin process may be the only path to the EU for the Balkan nations which are still outside the Union. This process, as we have seen, has been sponsored, promoted and developed mainly by France, Germany, Austria, and Italy – not by the Balkan countries already in the EU. This creates the impression that the Balkan countries are not full participants in this process, ceding leadership to the major powers. (Former President Josipovic of Croatia, called his own country "a smaller power in the EU," at the UACS conference, in 2017).

The EU of Six was originally established by the nations tales quales, with the help of the U.S. The successive constitutions of the EU were elaborated and adopted among delegations of all member states equal to each other. By contrast, the negotiations on joining the EU are not conducted among equal delegations. The candidate countries have to accept the EU requirements, often without being able effectively to express their own – broader – interests.

A Few Unresolved Issues

The EU, while proceeding in order with European integration, lacks a clear idea about its future. Is the EU to become a new, supranational state, or an international organization? How big is it supposed to be? A decade or so ago, French political scientist Pierre Manent wrote about the EU as a mode of rule as a state ("kratos"), detached from its nations and citizens (i.e. the "demoi"). This EU consists of nations but does not rely on them or on their civil societies, their support or opposition. It is an unparalleled type of organization (Manent, 2017).

In a recent essay The Economist opines, however, that "the belief that nationalism could fade away, was always naïve. The real question is what form it will take" (The Economist, December 23, 2017). The gist of this article is that universalist–liberal–cosmopolitan ideas are always defeated by revived nationalism.

British historian, the late Tony Judt, writing in 2011, has called the EU "a grand illusion". According to him, the EU was not created by idealists but by realists and France, which needed support for its reconstruction and its restoration to great power status. Schuman, Monnet and a few others were idealists. According to Judt, Jacques Delors was a realist. In his 1988 book "La France par l'Europe" (France through Europe), Delors opined that France needed the EU in order to grow. Judt saw the Europe of Six as a great success. With 15 member states, he wrote that the EU had become unworkable, especially with its consensus voting. Judt could not have imagined an EU with 28 or 33 member states.

"The Union is founded on the value of respect of human dignity, freedom, democracy, human rights… including the rights of persons belonging to minorities (The Treaty of the EU, 1992). The status of minorities is not clear, as they do not have equal rights with majorities in all states (Hudson, 2015). In the EU, there are states which recognize one nation only and no minorities. Linguistically, there is no equality either, as each country joining the EU selects only one of its main languages to be used officially in the EU. There are 24 languages for 28 countries.

While the EU and its current member states have, as we have seen, a number of issues with which to contend, some unresolved issues are specific to former Yugoslavia. The international borders of the former parts of the united Yugoslav nation have never been established. The first Yugoslavia, before the Second World War, established on the theory of "one nation – three tribes", had no reason to look into internal borders. The second Yugoslavia had state lines between its republics, but these were open to all. Even the border with Albania was opened in the period of 1945-1948, although there had been an earlier international border in that case. (Albania was included in the Yugoslav first 5-year economic plan). On the other hand, Yugoslavia was recognized internationally as a nation and a founder of the League of Nations and the United Nations. This overview explains some of the present day conflicts, such as those between Slovenia and Croatia on their maritime border, or between Bosnian entities,

Montenegro and Kosovo. The Peace Treaty with Italy (1948) transferred a part of Italian territory to Yugoslavia as a whole, not to any specific part of it.

Various plans for a Balkan federation have been considered over time, including between Yugoslavia and Albania, Yugoslavia and Bulgaria (The Treaty of Bled), Yugoslavia and Greece – as well as federations of Balkan nations (since 18th century). The last such proposal came from Ljubisa Georgievski, a Macedonian politician, diplomat, writer, theater director. In 2004 he envisioned a federation with some 140 million people, taking into account the common culture, history and destiny of the "Balkanians". He called for tolerance, cooperation, dialogue (Georgievski, 2004).

Nationalism at a higher level is still nationalism. EU citizens may be building a new nation which cannot avoid nationalism of its own. It took Italy some ten centuries to become a nation in its own right. There is no "end of history". The EU has its proponents and its opponents. For some, it is a reality, for some an illusion. If nation X wants to join the EU, it should be able to figure out what kind of organization it would be joining. An EU that consists of 30 member states will become very different if that number increases to 120!

What is essential is peace among nations and within nations. The peace movement, not wars, should be endorsed. We have too many wars and other armed conflicts worldwide. The EU knows this and understands it well. The EU, however, needs its own defense and security right now.

The EU of the Future

The EU future is difficult to predict as is that of any international or even national body politic. Last year, the future was either in a system of five speeds, where every member state should choose the level of its participation, -or- a unity of all in advancing toward a federation or a confederation of all members. The first was proposed by President Juncker, the second by Guy Verhofstadt, the leader of the European Parliament Liberal group and former Prime Minister of Belgium. In fact, the dilemma here is between an International organization and a new state. It provides citizenship as a nation, which is now the case, but lacks institutions in the areas of democracy, defense, and finances.

In 2017 in his Sorbonne speech, President Macron of France insisted that "the EU members must forge a common path." Europe is today more fragile due to globalization and the ideas of nationalism and identitarianism.

The European Council, at its meeting of December 14, 2017, adopted conclusions on a number of earlier proposals of member states, including those of President Macron.

The European Council is not alone in foreseeing a major role for the EU in the years to come. Speaking for The Guardian in early 2017, Antonio Guterres, the new UN Secretary General, described the world as "largely chaotic". He said that a united Europe is essential: "to prevent

the world in succumbing to deepening conflict. Only a renewed commitment to multilateral cooperation could head off the gathering danger" (Guterres, 2017). This can be understood as a return to internationalism again.

The nature of changes taking place in the EU is significant. Looking at the European Council's Conclusions and President Macron's proposals, the EU is likely to become not only a state (kratos) in the form of a federation or a confederation, but also a great power in its own right. After BREXIT, the EU will take additional tasks and steps to increase the level of integration beyond any earlier experience. The EU countries will be more closely connected and more efficient on both European and world global levels. This policy will require more resources as well, which will require a higher level of investment.

The Balkan countries may find the new activism of the EU harder to follow. The Western Balkan countries will have to think ahead and decide on their own strategic goals, which have so far remained unchanged despite the EU goals changing. For instance, they may decide to favor a larger group of nations included, if those nations so desire. Some countries can be partners of the Balkan countries, within or outside of the EU.

The most useful approach would be for the remaining Balkan countries, candidates or not, to assess their own values, goals and alternative actions, evaluating the situation, the trends and the means to advance. Whether in its original or abbreviated form, the policy science approach of Harold Lasswell would help (Lasswell, 1971). Although not referring to other approaches, The Balkans in Europe Policy Advisory Group (BiEPAG) of the European Fund for the Balkans (EFB) and Centre for the Southeast European Studies of the University of Graz (CSEES) have already done some research in this area. Balkan Universities could develop their own action in this area, Chambers of Commerce and other new participants are needed in the process of "Europeanization" of this and related geographic areas. A culture of regional cooperation should develop on both intergovernmental and non-governmental levels (BiEPAG, 2016).

To re-establish democracy, Balkan countries have to follow their own constitutions, and in some cases revise them. Parties in power have to accept change through the ballot box, the equality of men and women, human rights and fundamental freedoms have to be fully respected. Civil society should be given a place in political life. (The Economist, July 15, 2017). Even in Athenian democracy the Delian League (simmachia) was not responsive to the citizens of individual states but to their envoys. The Delian League under Athenian leadership increased the number of state members from about 100 to 300. The EU has its place in the Mediterranean Union, in Africa, in the Caribbean, in the Pacific. The EU can become a Brussels League!

To re-establish democracy at the Balkan level, the states know exactly what their obligations within the EU will be. They do not, however, follow the regional patterns of direct democracy which is present in Switzerland but rarely in the EU. Those are people's assemblies and referenda which were formerly followed in Balkan tribal institutions. By including women everywhere, those forms of democracy could be useful and make a contribution to the EU.

The challenge for the new member-states is to accept a new EU, as it is being built, despite the new increasing obligations, domestic and European reforms, larger budgets, civil society organizations, and neighbors' policies. The challenge for the EU is to keep its course and to develop its internal democracy while being responsible to its member-states, to European citizens, and to their needs.

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The Berlin Process: Prospects and Deliverables

Jeremy Cripps

Abstract

The Berlin Process provides a framework for "resolving outstanding bilateral and internal issues" (Fouere and Blockmans. 2017) in the Western Balkans. The initiative was seen as a series of pre-emptive requirements for these states, prior to the enlargement of, and their inclusion in, the European Union (Jozwiak, 2014). These "prospects" were recently restated (Radosavljevic, 2017) by European Commission chief Jean-Claude Juncker. The nature of the issues that are in the process of resolution is not easily identified. Details are far from transparent. This paper considers the issues of the deliverables. The prospects for satisfying the accession requirements are part of the review. This analysis of the ongoing process should provide encouragement to those who see a promising future for the current population of the Western Balkans. Continuous efforts at judicial reform by the UNDP (United Nations Development Program) and the Norwegian Courts Administration (Reuters, 2018) are noted as they come to fruition in May 2018. The International Monetary Fund (IMF) identifies the need to reform bankruptcy and insolvency laws (Reuters, 2017). The United States Agency for International Development continues to sponsor commercial reform (USAID, 2018). Other non-government agencies like Friedrich Ebert Stiftung are also active in embracing the Western Balkans (Weber 2018) as future members of the European Union. Some concerns are considered. Depopulation "is ravaging much of Eastern Europe" (Charlemagne, 2018). Certainly, Western Balkan countries still "share problems related to widespread corruption" and the presence of organized crime (Lange 2016). Indeed, the demographics in the Western Balkans suggest "a rich-country problem, but we're not rich countries" (Angelov, 2017). The Balkans do have unusually "diverse and attractive" tourist resources" (Vasileva, 2017). Transport improvements are on track as are prospects for a future integrated energy market for energy renewables (BEO, 2017). The Berlin Process has focused attention on progress made and the coming individual approaches and accession to the European Union.

Keywords*:* The Berlin Process, stabilization and association, expansion of the European Union.

Introduction

> *"None of our republics would be anything if we were not all together; we have to create our own history .... also, in the future." (Tito, 1950)*

The Berlin Process is "an initiative to boost regional cooperation among the Western Balkan countries" (CSF, 2014.). The Berlin Process initiative is ascribed to Chancellor Angela Merkel, who hosted the 2014 Conference of Western Balkan States in Berlin, recognizing the centenary of the start of the First World War and the prospect of expanding the European Union to include the member states of the Western Balkans (see Appendix A).

The Berlin Process provides for a framework for "resolving outstanding bilateral and internal issues" (Fouere and Blockmans. 2014) in the Western Balkans. The initiative is seen as a series of meetings to monitor continuous activity to follow the rules for European membership (see Appendix B) prior to the enlargement of, and their inclusion in, the European Union (Jozwiak, 2014). The Final declaration by the Chair of the 2014 conference on the Wester Balkans reported:

> We agree that today's conference should provide a framework for a period of four years, during which we will further our endeavors to make additional real progress in the reform process, in resolving outstanding bilateral and internal issues, and in achieving reconciliation within and between the societies in the region (Aug 29, 2014)

The "prospects" of "a credible enlargement perspective for an enhanced EU engagement with the Western Balkans" were recently restated (Radosavljevic, 2017) by European Commission chief Jean-Claude Juncker. The strategy "clearly spells out" the fact that the European Union is open to further expansion "when – and only when – the individual countries have met the criteria" for membership (EU Commission, 2018).

The purpose of this paper is to review literature on the Berlin Process and to consider the instruments that need to be in place in the Western Balkan nations to successfully secure full membership of the European Union. The paper considers the prospects and the deliverables in general, recognizing that the Western Balkan nations are at different stages in the compliance process, but noting the path to success that has been trodden by the people of Croatia.

Literature Review

Literature on the Berlin Process, in the English language, reflects the varied and complex nature on the ongoing negotiation and activities. To date neither Amazon nor Barnes & Noble offer published books on the Berlin Process. There are several major websites which provide updates on progress related to the individual elements of the Berlin Process. These include:

- The European Commission main website (https://ec.europa.eu/commission/index_en) and then in particular subsidiary special websites such as (https://ec.europa.eu/neighbourhood-enlargement/policy/glossary/terms/potential-candidate-countries_en) which describes the European Neighborhood Policy and Enlargement Negotiations. The website provides updates on potential candidates and summary details of the stabilization and Association process.
- The Berlin Process Information and Resource Centre (https://wb-csf.eu) which again has several sub sites such as the CSF of the Western Balkans Summit Series (http://wb-csf.eu/civil-society-forum-of-the-western-balkan-summit-series-in-2018/)
- The European Western Balkans website (https://europeanwseternbalkans.com) which provides a number of subsidiary sites such as (https://europeanwesternbalkans.com/2018/01/08/eu-western-balkans-berlin-process/) which looks toe the relationship between the EU and the Western Balkans after the Berlin Process.
- The CEPS website (https://www.ceps.eu) a leading think tank and forum for debate on EU affairs including the Berlin Process. Last July the think tank raised the question of whether the Berlin Process is delivering?" (Fouere and Blockmans. 2017).

Then, as might be expected in the context of the ongoing process of compliance with membership requirements for the six Western Balkan nations, there are a significant number of relevant and reliable websites which report progress on activities which catch the imagination of their publisher. It is from amongst these many commentaries that this paper tries to put together an idea of the progress being made towards the completion of the Berlin Process. A brief selection of other websites with their particular contributions on specific topics is included at Appendix C.

How then are we to understand the details and the specifics of the criteria for membership of the European Union. These are very generally defined in three documents.

- The 1992 Treaty of Maastricht, as amended – Lisbon Treaty Article 49
- The Declaration of the European Council 1993 in Copenhagen (known as the Copenhagen criteria – see Appendix B)
- The specific framework for negotiations with applicant nation(s).

Procedures for identifying the political, economic, and monetary union changes needed are in process. Four Civil Society Forums, organized conferences to assess progress on establishing the frameworks for accession (Berlin, 2014; Vienna, 2015; Paris, 2016; Trieste, 2017) have

been held. A fifth conference is scheduled for London this year, after a scheduled preparatory meeting this March in Sarajevo (CSF, 2018).

There have been some 33 CSF publications contributing to the partial recognition of the changes that are required before the application process can go forward. Then there are many websites sponsored by disparate sources which provide reports on the ongoing deliberations which are said to be taking place in the context of the pursuit of the Berlin Process.

Perhaps understandably, the clarity of direction that might be expected from a European Union, or at least an Angela Merkel initiative, appears rudder restricted if not rudderless. The Civil Society Forum (Civilsocietyforum.com) looks for a unified Berlin Process for the enlargement of the European Union to include the six Western Balkans nations. Other organizations, reflecting on the fact that each of the 6 Western Balkan nations are at different stages in the process towards joining the European Union, expect a bi-lateral process. Then European wide concerns on important political and cultural issues (immigration and security, among the 6 key issues seen to shape the EU in 2017 (Bildt, 2017) for example) have certainly delayed the Berlin Process.

At present, "On the path to integration" (Europa, 2018) there are 4 candidate countries: Albania, Montenegro, Macedonia, and Serbia: and two potential candidates: Bosnia Herzegovina, and Kosovo. Their well-trodden path to integration may be seen in the context of the successful completion of negotiations by Croatia on July 1, 2013 (Europeanwesternbalkans.com).

The Key Reforms

It is true that the lack of clarity in terms of identifying detailed specific criteria for progress has led to a "growing disillusionment with the enlargement process in the region" and even the question of whether the European Union might "still have appeal in the Balkans?" (Chatham, 2018). In this complex and confused context on 6 February 2018, the European Commission launched the new "Strategy for the Western Balkans" (EU, Commission, 2018).

This document identifies the key reforms required:

- Rule of Law
- Establishing Fundamental Rights
- Tackling corruption and organized crime,
- Improving democratic institutions, public administration, and the economy
- Fostering good neighbor relations
- Solving bilateral disputes.

This document also indicated a likely two (or multi) tier approach to European expansion as a separate strategy for Montenegro and Serbia was identified.

Criteria for EU Membership

The nature of the key reforms required for all the Western Balkans are now somewhat clearly identified, but the exact nature of the deliverables needs clarity. The next steps in the process may be seen in a separate set of "next steps" which are specified for Montenegro and Serbia. Note also that the 2014 past 4-year time line is now extended with a 2025 perspective.

The Next Steps identified are:

- Completion of Interim Benchmarks for the rule of law. This includes the normalization of relations between neighbors (specifically relations between Serbia and Kosovo).
- Definition of EU common positions in key policy areas (specifically free movement of workers and implementation of normalization between Serbia and Kosovo)
- The closing negotiations recognizing "credible and sustainable track record" of reform regimentation.
- Then signature to an accession Treaty.

Nature of the Deliverables

This paper therefore examines the nature of the deliverables which might be expected to meet the established Interim Benchmarks which are prerequisite to continuing the accession process.

Deliverables: The Rule of Law

There has been a recent shift in the European Union's approach towards the promotion of accession related reforms (Strelkov, 2016). Recognition that agreements with Bulgaria and Romania have not proved as sustainable as planned, have led to this shift. The hope is that by recognizing the role of national parliaments in shaping the content of reforms especially in the rule of law sector, real implementation of legal reform will take place (Reuters, 2017).

Expedition of judicial reform for existing legal frameworks for dealing with commercial activity need attention. The International Monetary Fund (IMF) identifies an appropriate legal framework which is needed to deal with bad loans and specifically to improve bankruptcy and insolvency laws to facilitate commercial economic interaction with the European Union and the rest of the world. (Atoyan et al, 2017).

An example of law reform being put in place may be taken from the US AID role in Albania. Here the Financial Services Volunteer Corps (FSVC) has been supporting a series of workshops and support to meet international standards in Albania in the areas of:

- Strengthening Public Financial Management
- Setting-up a Supreme Audit Institution
- Assisting Parliamentary Budget oversight
- Implementing a Bank supervision process
- Design and implementation of Open Government Data
- Campaign against the Informal Sector (FSVC, 2018).

The IMF report noted "shortages of public infrastructure" specifically identifying

- Inadequate transport networks (roads and railways)
- Insufficient provision of utilities (unstable electricity supply)
- Underdeveloped communication networks (Internet penetration below 50%)
- Underinvestment in health and education (higher education)

In the absence, to date, of practical improvement in these areas by government administration, the IMF joined those advocating attention to parliamentary reform noting that "weak institutions, inefficient governments, and widespread corruption" are linked to "the misallocation of scarce public resources to project with low economic viability."

Continuing efforts at judicial reform in the Western Balkans are also being led by the UNDP (United Nations Development Program) and the Norwegian Courts Administration (Norway, 2018). This 3-year project has made some progress and is expected to be extended past the 1 May 2018 project date. Here the emphasis has been on the court management system and, because of improvement, counteracting the negative public image of the judiciary. There is also some encouragement to improve necessary cooperation between Western Balkan institutions.

The United States Agency for International Development continues to sponsor commercial reform (USAID, 2018). Other non-government agencies like Friedrich Ebert Stiftung are also active in embracing the Western Balkans (Weber 2018) as future members of the European Union. The emphasis here has been on improving the baking system and the audit functions for commercial activity.

Deliverables: Stabilization and Association Process

The Stabilization and Association Process is the European Union's specific policy towards the Western Balkans. Launched in June 1999 the process requires

- Contractual relationships (bilateral agreements)

- Trade relations (autonomous trade measures)
- Financial assistance
- Regional cooperation.

One specific focus has been on the Serbia Kosovo relationship. "There are plenty of unsolved issues between Kosovo and Serbia" (Mulla, 2017), not least the sovereignty issue. Similar issues including civil registration, border crossings, and post-war citizenship remain to be resolved.

In addition to the Copenhagen criteria items mentioned above, the accession of the Western Balkans is specifically required to comply with the Stabilization and Association process set out by the European Union (EU Commission, 2018)

Three lessons are seen to have been learnt as the EU works to engage the Western Balkan governments in the Stabilization and Association process.

- First there is a need for "a stronger engagement in the reform process" providing clear benchmarks for the process so that Western Balkan leaders do not use the EU card for their own political ends.
- Then, secondly, there is a need to "eliminate the sense of fatigue," the 'wait and see policy' which is leading to failure in achieving stabilization and association goals.
- The third lesson is the need for formal institutional structures. Existing stabilization and association policies do not recognize the realities of ethnic and other social divides and the lack of resources available for resolution of these differences.

Deliverables: Credible and Sustainable Track Record

A good example of establishing a credible and sustainable track record can be found with the agreement on air-control in the Western Balkans. The 6 Western Balkan nations became parties to the European Common Aviation Area (ECAA, 2018) in 2007. There is in place a reform Agenda which is being met on a timely basis. The safety rules for air traffic have been adopted but there is still a need to work on implementing European rules on noise, slot allocations, and other parts of the national aviation codes.

Common positions on transport extend to the potential for Cargo 10, a recovery of the pan-European road and rail corridor that once linked central and south-eastern Europe. Cargo 10 (short for Corridor 10) aims to exploit the cost benefits available for freight movements on modern rail services from Salzburg to Istanbul, Igoumenitsa, and Thesaloniki. Now the talk is of a rail service "the Berlin-Beijing express" linking Europe to China (Economist, 2010).

The importance of the road corridors and the need for highway improvements also needs mention. The economic importance of improved infrastructure and particularly improved auto routes is identified as a way of reducing unemployment as well as increasing per capita income (Dabrowski and Myachenkova, 2018).

Deliverables: Signature to the Accession Treaty

Kaplan has written that Macedonia, the inspiration for the French word "macedoine" (mixed salad) defines "the principal illness" of the Western Balkans, continuing "conflicting dreams of lost imperial glory" (Kaplan, 2005). A recent report (Doyle and Martinez, 2017) confirmed a wealth of progress on the way to Treaty accession but noted that progress was still "not very promising" in the area of government restrictions and interference in citizen's lives and the failure of government to challenge "the informal economy" (World Bank Group, 2017). This seems extraordinary "since the ethnic mix of the Balkans has been remarkably unchanged for centuries" (Mazower, 2002). The report also noted that, in the area of social hostilities, a measure of "concrete, hostile actions that effectively hinder the religious activities of the targeted individuals or groups" (Pew Forum, 2009) the situation is "outright alarming."

Current Events

Seen from a Western perspective, there are three crisis areas in the Western Balkans (Bego, 2017). Democracy appears to be failing to deliver healthy political competition in the Balkans. Commitment to the European Union sometimes is seen as superficial lip service. Appropriate actions are approved but are not taken. Advice is welcomed and then ignored. Second there is some evidence of Russian interference which undermines support for the socio-economic changes that are required by the EU. Then thirdly the commitment by the EU to the Western Balkans, their attempts to understand the workings of the Western Balkan states, are seen in the context of the success of European economic recovery and as Shelly put it: "Heaven smiles, and faiths and empires gleam" while the nations of the Western Balkans are "like wrecks of a dissolving dream." (Shelley, 1822).

Meanwhile in the Western Balkans depopulation "is ravaging much of Eastern Europe" (Charlemagne, 2018). Depopulation "is evident on the whole territory" of the Western Balkans (Lukic, 2015), it is "a sign of a vicious circle of economic and social decline" where young people emigrate when they can, leaving an ageing population with limited ability to slow the process of decline. The EU extension of the timeline for accession by Western Balkan states and the turmoil generated by Brexit and other local demands for independence (Scotland, Catalonia, Northern Italy for example) hardly encourages the Berlin Process to move to the front burner.

Then quite certainly, Western Balkan countries "share problems related to widespread corruption" and fail to discourage the presence of organized crime (Lange 2016). Indeed, the demographics in the Western Balkans suggest "a rich-country problem, but we're not rich countries" (Angelov, 2017).

Yet the Balkans have unusually "diverse and attractive" tourist resources" (Vasileva, 2017). Extraordinary potential synergies offer prospects of a future integrated energy market for energy renewables (BEO, 2017).

Conclusion

Much progress is being made. This paper contributes to students of the Berlin Process having a better understanding of the complexity of the process.

There is good reason, as the contents of the paper have shown, to expect, eventually, a unified approach to meeting the issues identified by the European Union as needed prior to attaining membership. Recently at a Chatham House meeting, Iztok Mirosic, Foreign Minister of Slovenia provided outlined hopes for the future ahead of the next Berlin Process in Summit in July 2018. His analysis indicates a positive prospect which will be of interest to students of the progress being made by the Berlin Process.

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Appendix A - States of the Western Balkans

The Western Balkans is a neologism coined to describe the former member countries of Yugoslavia, minus Slovenia (already a member of the European Union) and with the addition of Albania. The Western Balkans therefore include Albania, Bosnia and Herzegovina, Kosovo, Macedonia, Montenegro, and Serbia.

	Population	GDP
	000s	US $ billions
Albania	2,876	12
Bosnia and Herzegovina	3,571	17
Kosovo	1,816	7
Macedonia	2,081	11
Montenegro	628	4
Serbia	7,075	38
	18,047	89
	Millions	
European Union	508	18,000
Germany	83	4,211
France	67	2,925
United Kingdom	66	2,936
Italy	61	2,182
Spain	47	1,506
Poland	38	614
Remaining 22 countries (each under US $20 billion)	146	3,626

Appendix B - The Copenhagen Agreement

Conditions for European Union membership

The EU operates comprehensive approval procedures that ensure new members are admitted only when they can demonstrate they will be able to play their part fully as members, namely by:

- complying with all the EU's standards and rules
- having the consent of the EU institutions and EU member states
- having the consent of their citizens – as expressed through approval in their national parliament or by referendum.

Membership criteria – Who can join?

The Treaty on the European Union states that any European country may apply for membership if it respects the democratic values of the EU and is committed to promoting them.

The first step is for the country to meet the key criteria for accession. These were mainly defined at the European Council in Copenhagen in 1993 and are hence referred to as 'Copenhagen criteria'. Countries wishing to join need to have:

- stable institutions guaranteeing democracy, the rule of law, human rights and respect for and protection of minorities;
- a functioning market economy and the capacity to cope with competition and market forces in the EU;
- the ability to take on and implement effectively the obligations of membership, including adherence to the aims of political, economic and monetary union.

The EU also needs to be able to integrate new members.

In the case of the countries of the Western Balkans additional conditions for membership, were set out in the so-called 'Stabilization and Association process', mostly relating to regional cooperation and good neighbor relations.

What is negotiated?

The conditions and timing of the candidate's adoption, implementation and enforcement of all current EU rules (the "acquis").

These rules are divided into 35 different policy fields (chapters), such as transport, energy, environment, etc., each of which is negotiated separately.

Other issues discussed:

- **financial arrangements** – such as how much the new member is likely to pay into and receive from the EU budget (in the form of transfers)

- **transitional arrangements** – sometimes certain rules are phased in gradually, to give the new member or existing members time to adapt.

Source: https://ec.europa.eu/neighbourhood-enlargement/policy/conditions-membership_en

Appendix C – Additional website re Deliverables

https://ec.europa.eu/transport/themes/international/enlargement/westernbalkans_en

The "Connectivity Agenda" in the context of the WB6 and the extension and modernization of the Trans-European Transport Network (TENT-T) noting the EU support through the Western Balkans Investment Framework (WBIF) and the Connecting Europe Facility (CEF).

http://www.seetoint.org/projects/soft-measures/western-balkan-6-summits/

The "Connectivity Reform Measures monitoring Progress Report (March2018) by the South East Europe Transport Observatory (SEETO). Includes all plans and monitoring reports from 2016 through the Sofia Summit in 2018.

http://wb-csf.eu/

The Berlin Process, Information and Resource Center (already reference in the paper) but useful as it covers a wide range of issues.

http://www.seetoint.org/

The South East Europe Transport Observatory (SEETO) website which includes a list of specific projects in process.

http://www.rycowb.org/

The Regional Youth Cooperation Office, an independently functioning institutional mechanism founded by the Western Balkan nations.

http://www.mfa.gov.rs/en/foreign-policy/eu/regional-initiatives/berlin-process

Serbian Foreign Ministry website (in English) with details of Regional initiatives.

https://www.euractiv.com/section/enlargement/opinion/the-berlin-process-in-the-new-enlargement-strategy/

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The Berlin Process: a New European Perspective or yet Another Stability Pact?

Marijana Opashinova Shundovska

Abstract

Being torn by bloody conflicts, open bilateral issues and poor economic development, the Western Balkan countries re-opened the Pandora's Box in recent years by pushing the stalemate position to the verge of new conflicts. This triggered the initiative of the Federal Republic of Germany to create the so-called "Berlin process", as a political process that would complement the European integration process, aimed at producing a framework for mutual reconciliation between the Western Balkan states through regional cooperation, youth cooperation, economic development, and infrastructural networking. The process closely follows the Franco-German model of reconciliation introduced after the Second World War and includes Macedonia, Serbia, Albania, Kosovo, Montenegro and Bosnia and Herzegovina. The states have been supported by Germany, Austria, France, Italy, Croatia and Slovenia with a four year platform framework from 2014 to 2018. By introducing the intergovernmental model through organizing annual summits where executives from the aforementioned states report on the progress made in the envisaged reforms, the format gives hope that the process will show visible results and will not be yet another Stability Pact for Southeastern Europe. The unanimously renewed and reaffirmed European perspective to these countries, while acknowledging the individual reforms of each state in the integration process represents a two-sided strategic investment in peace, democracy and stability on the European continent. This chapter analyses the different stages of development and progress made on individual aspects of the Berlin process, to conclude whether its creation shows signs of sustainability and whether or not the chosen areas for project implementation justify its existence.

Key words: Euro-integration, Europeanization, platform framework, reconciliation, good neighborly relations, infrastructural networking.

Introduction

Built on the premise that the Balkan states share common challenges and problems, and that by creating a comprehensive conflict prevention initiatives package, more than 40 countries and international organizations signed the Stability Pact founding document in 1999. Deeply convinced that it will replicate the new Marshall Plan by which would for once and for always de-Balkanize the Balkans, its supporters introduced a similar structure to the one in the current Berlin process. Although its primary aim was to draw the region of South Eastern Europe (SEE) closer to its perspective of full integration in the European Union, today we are witnessing the fact that it failed to deliver on its promises. In the past decade, democracy in the Balkans has been slowly, but steadily backsliding, due to the EU financial crisis and the EU's desire for re-consolidation rather than enlargement, and going back to where it was in 2004 (Scenkkan, 2016). The EU soft power of progress reporting, legislation approximation and conditionality did not bring the expected results. This flaw has been taken advantage of by autocratic leaders creating "stabilitocratic" societies with fragile democracies, weak institutions and troublesome media. The rise of ethno-nationalism and intolerance especially among young people is evident. The destabilizing potential of bilateral disputes is melting under the surface and there is a disconcerting influence from third countries throughout the entire region.

Germany, taking the lead in 2014, learning from its own experiences with France, with the support of Austria, Italy, Slovenia and Croatia, the EC and the international financial institutions, decided to launch the Berlin Process for the remaining non-EU aspiring countries: Macedonia, Serbia, Albania, Montenegro, Kosovo, and Bosnia and Herzegovina. The Berlin Process was envisaged as an instrumental process to address their key issues on their Euro-Integration path. The aim was to enhance their endeavors to make real additional progress in the reform process, in resolving outstanding bilateral and internal issues and in achieving reconciliation within and between the societies in the region (Final Declaration, Berlin 2014) With the ultimate aim of making sustainable growth and stable regional cooperation, the Berlin process headed towards making a real difference and bringing tangible results across the states concerned. As a four-year platform with possibility of further extension, the process focuses on unresolved bilateral issues, youth and civil society cooperation, infrastructure, energy and Small and Medium-sized Enterprise (SME) development and innovation (Figure 1).

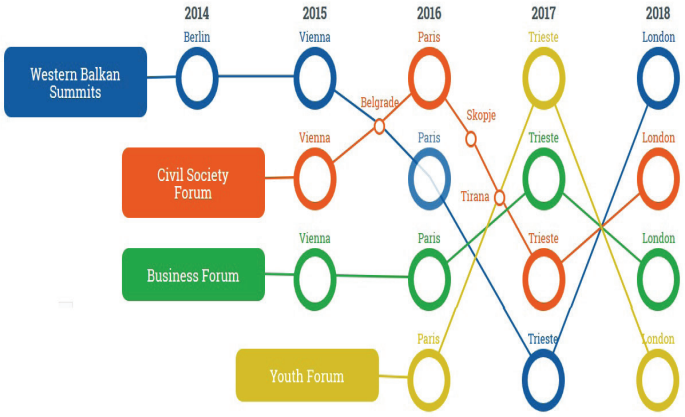

Figure 1. *Berlin process summits*

Being complementary to the integration process engine, it provides assistance on sensitive issues and complex reforms that require additional financial means to be implemented.

Unresolved Bilateral Issues

The Western Balkans has remained a synonym for a region overwhelmed by conflicts and disputes and as a troublemaker in terms of the security of the European continent. All of these unresolved issues have hidden potential for serious consequences in bilateral relations and on the stability of the region.

Unresolved bilateral issues remain an essential precondition - sine qua non- for EU membership. Aware of the bilateral disputes among the Western Balkan 6 (WB6), the Vienna Summit was concluded among other things, with the signing of a "Declaration on the solving of bilateral issues" (Vienna Summit, 2015), in which governments committed themselves to work on and find a solution to all open bilateral issues in a good neighborly spirit. The document treats border disputes mainly related to the demarcation of borders, political disputes related to statehood and national identity issues and minority rights disputes. Leaders agreed not to block each other but rather to encourage each other in the EU integration process. The fact that at the very end several agreements were signed, was taken as a positive signal that things would move forward in this field. Namely, the Prime Ministers of Serbia and Kosovo finalized four agreements on energy, telecoms, the establishment of the Association/Community of Serb majority municipalities and the Freedom of Movement over Mitrovica Bridge. Also the border agreement between Bosnia and Herzegovina and Montenegro was signed at the same meeting, which opened up the path for future agreements. The first months of 2018 witnessed two further important resolutions of outstanding issues, such as the ratification and entering

into force of the Agreement between Macedonia and Bulgaria and the ratification of the Border Demarcation Agreement between Kosovo and Montenegro. Talks between Macedonia and Greece in a bid to end the name dispute are taking on an intensity, with a very high probability of having some palpable results in the following few months.

The positive approach, started with the Berlin process, should be well-preserved and maintained for the remaining disputes. History and experience has shown that such issues cannot be solved alone and between the states concerned; rather that they can be encouraged and assisted from outside, together with other regional initiatives, by civil society and international actors. The problem of the disproportion of power once a country enters the EU, having open issues with an accession country, also presents a major problem in terms of a quicker resolution of such issues. That said, one must conclude that the EU and its member states should invest more efforts to safeguarding the credibility of the European project and the membership perspective of the WB6 countries.

Youth Cooperation

Investing in youth represents a valuable investment in the European integration process, by motivating their involvement in politics, reconciliation processes and regional cooperation, in order to increase social inclusion and employment as opposed to marginalization, and possible radicalization and extremism. Past studies (Topali, 2016) imply that high youth unemployment rates (Figure 2), inappropriate education and a poor economic situation in the so-called "stabilitocracies", made youth indifferent towards activism and engagement in the socio-political life in their states.

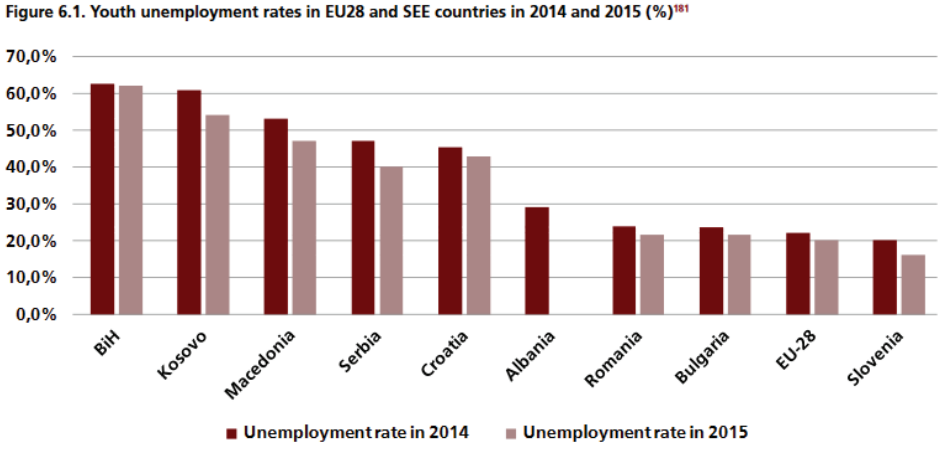

Figure 2. *Youth unemployment rates in the EU and SEE*

Youngsters in the region lack awareness of the EU in general, but they strongly believe in a better future within the European Union (Figure 3).

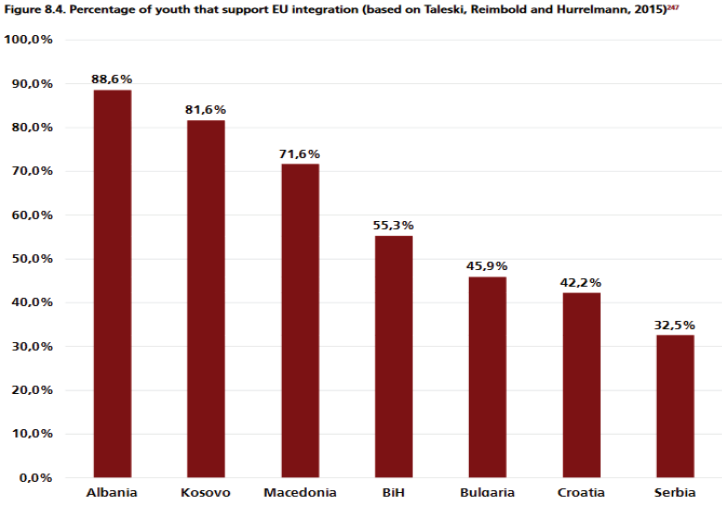

Figure 3. *Youth Supporting EU Integration in WB vs. some EU Member States*

The "Positive Youth Agenda for the Western Balkans" launched within the Brdo Process and supported by the Slovenian Government was upgraded with the commitment in Berlin to establish a youth office that will promote the spirit of reconciliation and cooperation between young people in the WB6. This was based on the Franco-German model of reconciliation established in 1963 after the Second World War and upon the initiative of the Prime-Ministers of Serbia and Albania, who signed a Memorandum of Understanding on Youth Cooperation. During his historical visit in Serbia, the Albanian Prime Minister stated that:

...the visionary program of student and youth exchanges, founded by Charles de Gaulle and Chancellor Adenauer initially to facilitate overcoming of the bitter history between France and Germany, serves as an encouraging model, showing the power youth can have for a rapid progress in the cooperation between countries, if it is given a role to play.

The Regional Cooperation Office (RYCO) was established during the Paris 2016 Summit with the Secretariat located in Tirana. It is mainly focused on the promotion of regional cooperation, the promotion of mobility among young people, support of the reconciliation process, and actions that will contribute to peace-building and stability and will provide the conditions for ensuring a sustainable future for young people in the region. During its first year of existence, the RYCO organized a series of events that are aimed at bringing young people closer together in working for their better future and prosperity and overcoming animosities that existed in the past due to the unresolved bilateral issues and historically abused events in their education. Setting a rather broad mandate for the RYCO, the office aims to make the region aware of its past in a way that will not jeopardize its future. The reconciliation

process is part of its core activities since it provides lasting peace and the continuum of good cooperation among the participating states. The initial exchange programs show promising results (Hackaj & Peci, 2017). The first impressions are that people understand that this provides an opportunity to re-establish bridges and overcome stereotypes and prejudices that exist in the region. However, the results of another survey show troubling trends in young people's perceptions of their wider social, economic, and political contexts, which confirm the perception for the need to invest in the education and political engagement of youth (Jusic & Numanovic, 2017). Youth are the future of the region and depending on their proper engagement, one can shape the future European perspective of the Western Balkans.

RECOM

The Trieste Summit also endorsed the initiative to set up a regional intergovernmental commission for the establishment of facts – RECOM. It will work on facts related to the victims and missing persons during armed conflicts. As such, it has great potential in enabling a longterm and genuine reconciliation in the Western Balkans, since only regionally-based processes can help find the facts without prejudice with regard to the conflicts that affected many states, with a more objective approach to the matter that should eventually lead to the gradual elimination of ethnic chauvinism and nationalism among young people (Milekić, 2017). The Presidents of Serbia, Montenegro, Macedonia and Kosovo, and the Bosniak member of the Presidency of BiH in October 2017, appointed personal envoys who, in cooperation with the Coalition for RECOM, should draft an agreement on its establishment as Regional Commission. Although more than half a million people supported the initiative, we still have not seen any progress in making it operational.

Civil Society Forum

The 2015 Enlargement Strategy of the European Commission recalls that civil society has the power to enhance political accountability and promote a deeper understanding of accession-related reforms. Hence, an important role in the Berlin process is played out by the establishment of the Civil Society Forum (CSF), through the network of civil society organizations that will provide their expert support in the building of strong, powerful civil societies via progressive reform processes with the ultimate goal of EU membership. The Forum has been acknowledged as an equal partner in the process of EU – related reforms in all the WB6 countries in the Berlin process. To act in a more comprehensive and effective manner, the Forum gathers civil society organizations (CSOs) working on the defined priorities in the process, which debate and adopt final conclusions, together with regional politicians and EU representatives so that their voice is taken into account in the incoming national reform processes. The Forum engages more than 100 activists, CSOs, experts and think-tanks with

relevant expertise in the chosen fields in order to produce maximum results in its work. In this regard, the Berlin process has provided civil society within the region with an opportunity to play a significant role at a such a high-level event. The Forum meets regularly upon follow-up initiatives from the annual Summits to work more specifically and with concrete actions on the recommendations adopted after each summit.

Another initiative launched in the framework of the Berlin process has been the Reflection Forum on the Western Balkans, a body made up of experts, analysts and researchers focusing on the EU enlargement of the WB6. The Reflection Forum is organised every year following the Berlin process summits, as an interactive platform for the exchange of opinions between experts from national and European administrations and institutions, as well as with researchers affiliated with European think-tanks and universities in the EU and the Western Balkans.

Civil society has been positioned as a political actor that should be fully engaged in the reforms and European integration developments in the WB6 due to its ability to facilitate reconciliation, closely monitor their governments in the implementation of reform priorities and to improve citizens' comprehension of democratization of the society. Their regional networking is done due to similar existing problems shared among different states in order to have a common regional CSOs voice during the integration process. The region faces a myriad of problems and open issues which imply different and more complex strategies and mechanisms which, among other actors, can be well-established and delivered by CSOs. They proved to be a valuable and accountable partner during the migrant crisis on the so-called Balkan Route, providing humanitarian assistance to those in a need, but also in other areas identified under the Berlin process.

Connectivity Agenda

Energy

Energy has been assessed as one of the areas with a significant backlog in several aspects. Losses of energy transmission and distribution caused by theft are another aspect of energy disadvantages (Figure 4).

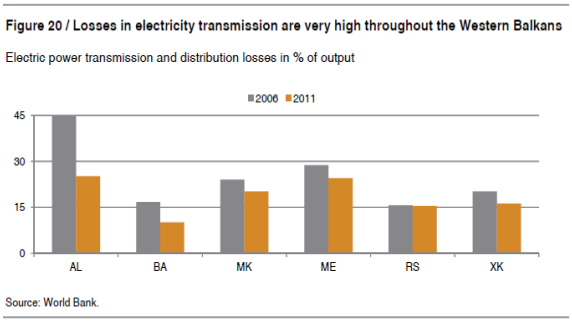

Figure 4. *Losses in electricity transmission in WB6*

Cross-border trading is below the potential due to high level of market fragmentation. The WB6 countries committed themselves to implementing a list of energy legal and regulatory measures, in order to establish market-based electricity trading. The signed Memorandum of Understanding (MoU) on regional electricity market development, provides the basis for developing the regional electricity market further that will eventually lead to regional water, wind and sun energy integration within the region and as a second phase, with the neighboring EU Member States. The process may be only hampered by the non-compliance of Serbia to the signed energy agreement with Kosovo, which had refused to sign the MoU. This blockade of the membership of Kosovo in the Energy Community is costing Kosovo-based companies huge amounts of euros (BPRG, 2018).

The annual summits have provided an opportunity to make further progress in that area. The parties welcomed the launch of an initiative to ramp up investment in energy efficiency in residential buildings and sustainable development through additional EU funding of €50 million. In addition, the EU has commissioned a regional hydropower master-plan for the Western Balkans for the development of the hydropower potential in the region to address equal regional energy development and environmental problems (Final Declaration, Paris, 2016). The Connectivity Europe Facility (CEF) has been mobilized for the first time in the region, providing an EU grant of €11.4 million, that has provided reporting on past connectivity reform measures and on developing a roadmap for the functional regional electricity market to be developed by the 'Central and South Eastern Europe Gas Connectivity' initiative. This initiative has also permanent structure, in the CESEC Electricity and the Energy Community Secretariat that will follow and work together with individual countries institutions on implementation of the agreed projects.

Several major projects were adopted for the region, the most important electricity project being the power line from Albania - Elbasan to Macedonia – Bitola, a joint investment of an estimated EUR 120 million, as well as the Trans-Balkan corridor in Central Serbia to the amount of EUR 28 million. There are several strategic natural gas infrastructure projects like the construction of two Liquid Natural Gas (LNG) terminals, one from Croatia to Albania and its linkage to the planned construction of the Ionian-Adriatic Pipeline (IAP) along the coasts of Croatia, Montenegro and Albania. The ratio behind the Connectivity Agenda, apart from improving the energy and transport networks, is also about teaching public administrations to observe and work according to the European standards. The South East Europe Transport Observatory (SEETO) and the Energy Community Treaty (EnCT) have a role in this regard to serve as a prioritization and control mechanism for the investment projects.

Transport

One of the core priorities of the Western Balkans Six (WB6) has been the connectivity agenda, mainly dedicated to the implementation of regional infrastructural projects, technical standards and soft measures for simplifying border crossing procedures, road safety and maintenance schemes. Being a reform laggard compared to EU Member States, the Balkans states showed structural underdevelopment, poor infrastructure, low competitiveness and a huge rate of unemployment especially among young people after decades of transition. The concept of the Trans-European Transport Networks (TEN-T) presupposes that infrastructural connectivity in the field of rail, road and sea is the main driver bringing closer the countries in the region, boosting economic growth and competitiveness.

The milestone achievement of the Berlin Process is the signing of the Treaty Establishing the Transport Community in 2016 in Brussels by the WB6, placing a legal framework for the development of the transport network with the European Union and progressive integration of transport markets in the EU, including the adoption of the relevant *acquis*. The establishment of the permanent secretariat for its implementation, the annual summits, as well as the annual evaluation by the European Commission of the individual progress achieved by each of the WB6 states leaves space for confidence in its sustainable perspective.

Although some progress has been noted over the past decades in the construction of transport infrastructure under different mechanisms and instruments, still the road and rail infrastructure continues to fall way below European standards. The "Core Network and Priority Projects" defined within the Berlin process by the WB6, are expected to bring results in the long run, and to create jobs in the coming years. According to the analysis (Holzner, Stehrer & Vidovic, 2015), the comprehensive financial package of EUR 7.7 billion for a period of 20 years is expected to bring additional growth of 1 per cent per annum and to create around 200,000 new jobs in the region. The Trieste Summit accepted 7 additional connectivity projects with a total investment of over 500 million, of which €194 million in EU grant co-financing and the balance loans from the EIB and the EBRD and national funding by the Western Balkans. This brings total connectivity funding since 2015 to more than €1.4 billion for a total of 20 investment projects.

The current position shows that there is a varying level of road transformation and road construction network among the WB6, with Albania being the leader in building over 300 km of motorway, Serbia with around 240 km, Kosovo with 80 km, BiH and Macedonia each around 40 km, and 0 kilometres in Montenegro. The discrepancy in infrastructure development made the WB6 and the other parties involved in the Berlin process prioritize the project that would eventually lead to balanced regional development.

The South East Europe Transport Observatory (SEETO) examines in detail also the viability of each project in terms of planning status and project progress. Hence, SEETO gave priority to

the next four road construction projects out of 11, with a total length of 221 km amounting to EUR 2.9 billion connecting the Croatia-BiH, Montenegro-Kosovo-Serbia and Belgrade bypass with the highest expected rate of return by 14 per cent. Rail projects with a total length of 189 km and an estimated cost of EUR 1.1 billion are aimed to relate Macedonia-Albania-Bulgaria (Corridor 8), Kosovo-Macedonia, Croatia-Montenegro, Hungary-Serbia-Macedonia with an estimated total investment of about EUR 1.4 billion, and Albania – Montenegro EUR 139 million, with total the amount EUR 1.6 billion. There are also projects for reconstruction and dredging along Sava and Danube with estimated costs of EUR 100 million (Holzner, Stehrer& Vidovic, 2015). The total costs estimates of these projects vary around EUR 2.3 billion, with participation by the EU of EUR 1 billion.

The projects have been carefully chosen in the most underdeveloped areas of the WB6, and areas which connect not only the region, but also the region with EU Member States. So far, we see some delay in their implementation, but a good thing is that almost all financing agreements and work contracts are already signed with the companies as implementers (Figure 5).

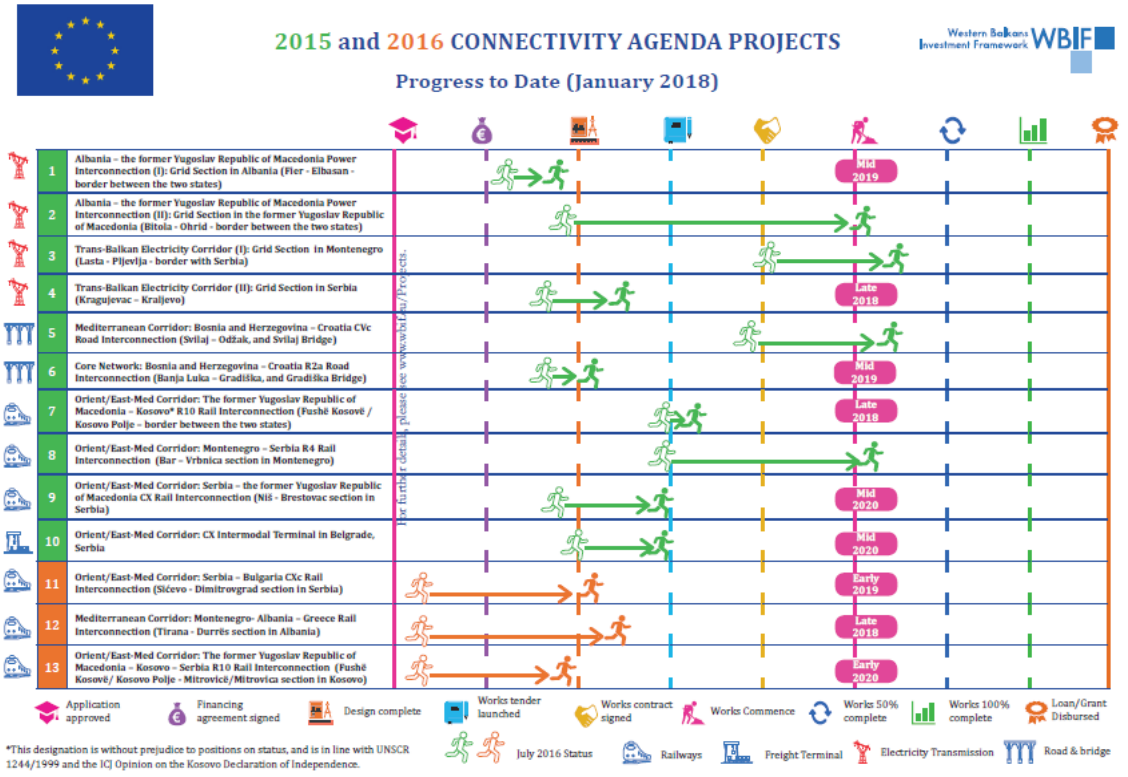

Figure 5. *Connectivity Agenda Project Status 2018*

Chamber Investment Forum

The Berlin process has been seen as an opportunity to restart the integration package and to re-organize joint past initiatives in the field of regional economic cooperation (RCC, SEETO, SEECP, MARRI, CEFTA, ECS, as well as CEI, OSCE, EUSDR, and EUSAIR). Business community connectivity gained in intensity after the launching of the Berlin process, i.e. "anchor the WB6 economic structure -industrial production and services- to the EU one, not only through unhinged market exchanges [i.e. establishment of a more integrated regional market], but by regular networking and establishment of sustainable business relationship" (Marciacq, 2017). Despite the efforts of the EU in the past decades in terms of intensive engagement for deep economic reforms, the region is still lagging behind, the simple fact being GDP per capita, which remained the same, around 40-60 per cent of the average GDP per capita in Central and Eastern European countries.

The establishment of the Chamber Investment Forum (CIF) of the Western Balkans is considered the great success of this process. The chambers of all the WB6 states, as well as those of Croatia and Slovenia take part in the initiative. The main role of the forum is to get companies on board to cooperate together in creating a favorable business environment in their states and to normalize their business relations, by helping to normalize state relations. The forum encompasses around 350,000 companies, mostly SMEs and has established a Management Board as a permanent structure with three working groups in the field of transport and energy infrastructure, the improvement of the business and investment climate and private sector development. The forum is working on a platform for the exchange of information and data, the creation of joint register of its members and sources of funding and standardization, and this rightfully considered as a successful example of regional cooperation for the time being.

Deeper regional trade cooperation will add additional value to the local economies of the WB6 and consequently contribute to their general state and citizen welfare. The EU and its international partners should also work on integrating the remaining countries in the WTO as soon as possible so that they can harmonize the required trade rules. The planned projects despite the strengthening of their mutual cooperation, will also help to improve local businesses, push toward major transport and energy reforms that will attract more investment and will accelerate the Euro-Integration process and the integration in the European macro-regional policies (EU Strategy for the Danube Region, EU Strategy for the Adriatic-Ionian Region).

Conclusions

The Berlin process as a positive experience model has so far proven itself to be instrumental in keeping both leading EU members states and participating states committed to the envisaged priorities, due to the overall political will for reforms. It also sent a clear signal to the WB6 states that the EU will continue to play a strategic role in the region. The concept of the process differs from the Stability Pact, placing at the core of the process the open issues and bilateral disputes. By solving them at the beginning of the process, and involving young people and civil society in the implementation of the necessary criteria for EU membership, it leaves room for focusing on real-time projects in the field of economy, energy, and transport. What was missing in the Stability Pact was the lack of funds for such projects, unlike in the Berlin process which shows promising results in its initial phase. On a positive note, the inauguration message sent to the leaders of the WB6 was that the European perspective of the region is realistic and that evaluation of the individual efforts by each state is not enough if there is no regional cooperation. All these identified areas require deeper regional cooperation and integration that will eventually lead to European integration. What has been achieved so far implies that it will be a successful model for regional cooperation and for solving outstanding bilateral issues in a European manner. This is achieved by cultivating procedures and customs that foster peace, establishing networks of consultations, communications, and gatherings of leaders and citizens in the region, and establishing cooperation as a way of life and the dominant culture of mutual relations (Minic, 2017).

The projects have been carefully chosen in the most underdeveloped areas in the WB6, and areas which connect not only the region, but also the region with EU Member States. So far, we see some delay in the implementation, but a good thing is that almost all financing agreements and work contracts are already signed with the companies as implementers. What is missing in terms of having a clear picture of the process in general is finding comprehensive information of all ongoing projects and initiatives. Public reporting, like the management, seems to be scattered among civil society organizations, regional initiatives, the RYCO, SEETO and the European Commission. National governments or founding countries of the process should make the implementers of these projects aware that promotion and advocacy are considered to be strong instruments in achieving process goals and objectives. The establishment of a joint PR Office that will collect and present the projects may be considered an option. This will also help leaders of the WB6 to explain better to their public the ongoing processes and reforms envisaged within the Berlin process, with the assistance of the civil society organizations.

To conclude, by bringing to the forefront the most painful and most complex issues on the agenda, Germany demonstrated a clear proactive role with a strong message that the region needs real projects, rather than feasibility studies. Being satisfied with its successes, the leading EU states decided to extend the mandate of the process for the coming years. Time has finally come for the Balkans to speak of actions, which are always louder than words.

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PART THREE:
LESSONS FOR THE BALKANS

'Brexit' Britain and the Western Balkans

Robert Hudson

Abstract

For a long time membership of the European Union and NATO has been presented as the panacea to many of the economic, political and security ills confronting the Western Balkans (Albania, BiH, Kosovo, Macedonia, Montenegro and Serbia). Yet, the road to EU integration has been long and arduous for those aspirant countries from the region. Britain has played a significant role in the recent history of the Western Balkans in trying to bring stability to parts of the region, during the so-called wars of Yugoslav secession and in the post-conflict aftermath and period of reconstruction and transition. Witness the efforts and achievements in the past of Lord Carrington, Lord Owen, Sir Paddy Ashdown, Sir Robert Cooper and Baroness Ashton *inter alia.* In the aftermath of the UK referendum on the EU, held on 23 June 2016, how will Britain's decision to leave the EU impact on the UK's relationship with the six states of the Western Balkans? The UK may well lose its influence within the EU, yet one positive aspect is the UK's continued commitment to NATO. Nevertheless, membership of NATO might hold less appeal to some of the citizens of the Western Balkan countries, by comparison with membership of the EU. In passing, reference will be made to Russia's growing 'soft power' influence and its increasing political leverage in the region.

Key words: Brexit, Britain, the European Union, and the Western Balkans.

Introduction

Just three days before the international conference held in Skopje on 'Europe and the Balkans', John Humphreys, the veteran BBC broadcaster on Radio 4's *Today Programme* (14 May 2018) commented that someone returning to earth from Mars would not believe the continued state of chaos over Britain leaving the European Union, nearly two years on from the 23 June 2016 referendum. The underlying theme to this paper is the continued uncertainty over the UK's future after Brexit; focusing upon its potential implications on the so-called Western Balkans.

The term 'Western Balkans' used in the title of this paper has entered into everyday parlance. That does not mean to say that this is a satisfactory name to describe the region, whether geographically, politically or ideologically. By the term 'Western Balkans' this author understands the six states of: Serbia, Montenegro, Kosovo, Macedonia, Bosnia and Hercegovina and Albania. With the exception of Albania, these were all former republics of the SFRJ, once referred to as the Yugoslav successor states. All six countries are aspirant states of the EU. Two other 'so-called' Yugoslav successor states, Croatia and Slovenia are not included under this umbrella expression of 'Western Balkans', as these have been full members of the European Union, since 2004 and 2013 respectively. Nevertheless, they will be referred to in passing. One should perhaps ask if the six states named above truly see themselves as a 'Western Balkan' region. It should also be noted that this writer does not favour the expression 'Western Balkans', seeing this as a topological, geo-political and cultural misnomer, carrying with it a whole raft of negative connotations, as has been so well expressed by Maria Todorova (1997), Vesna Goldsworthy (1997) and Adam Burgess (1997) *inter alia*. The expression South Eastern Europe, a term that was once well understood in the not too distant past would seem more appropriate as it avoids the potentially negative connotations of 'balkanism', yet even South Eastern Europe might not serve as a truly satisfactory name for the region. Nevertheless, for the sake of argument this paper will endure with the term 'Western Balkans' out of the pragmatic reason that this has become a commonly used expression.

'Brexit', by contrast is an easier expression to define, though the uncertainties and complications arising from it will baffle even the most intelligent of observers, as demonstrated in the opening comments of this paper. As an abbreviation for 'British exit', along the lines of 'Grexit', or Greek exit from the EU, much vaunted in the aftermath of the financial crisis of 2008, 'Brexit' has become the term used for the imminent departure of the United Kingdom from the European Union, following the UK's decision in a referendum held on 23 June 2016 to leave the EU, with the 'Leave' vote representing 52 per cent of the ballot and the 'Remain' vote 48 per cent.

It is also interesting to note that in Britain, when the potential effects of Brexit are represented in the media, they are usually only seen from the perspective of how this will affect Britain, and not from the perspective of the implications that Brexit might have on the rest of the European Union and the wider Europe as a whole, except perhaps with rather disingenuous statements

from some politicians that Germany will eventually rally to Brexit for fear of losing potential car sales to the United Kingdom. The whole issue over Brexit has become deeply divisive in the UK, and rather like the educational debate over the re-introduction of Grammar Schools, or the disparities between the state school and independent school sector, it is one of those issues that is probably best avoided in polite society and after-dinner conversation. Indeed, on the 500 year anniversary of Martin Luther's German Reformation some commentators have even gone so far as to liken Brexit to the English Reformation, when England broke away from Rome; the first 'Brexit'!

In considering Brexit Britain and its potential impact upon the Western Balkans, this paper will be divided into the following seven areas:

1. Britain's recent role in the Western Balkans
2. The impact of migration through and from 'Eastern Europe' on British thinking
3. Potential delays in EU enlargement and their impact
4. Euroscepticism and the rise of populism
5. Alternative forms of UK influence
6. Growing Russian influence, and
7. A Rump-United Kingdom: Uncertainties over the UK's constitutional future

1. Britain's Recent Role in the Western Balkans

A key concern over the past two years has been the possible implications that Brexit might have on British Foreign and Security Policy. Nobody can deny that over a period of nearly three decades, the UK has been a key player in efforts to stabilise the Western Balkan region (The Economist Intelligence Unit, 2016). One thinks in particular of the UK's role in Bosnia and Hercegovina and also in Kosovo, not only with reference to UNPROFOR, the Rapid Reaction Force, IFOR, SFOR and KFOR, but also in managing the post-conflict aftermath that followed the Wars of Yugoslav Transition and NATO's conflict with the Federal Republic of Yugoslavia over Kosovo. Furthermore, in the post-conflict aftermath the UK would play a significant role in peace-keeping missions, civilian leadership and post-conflict reconstruction.

If before 1995, one makes reference *inter alia* to the work of Lord Carrington and Lord Owen, then in the post-Dayton period one thinks of the substantial achievements of Sir Paddy Ashdown as the High Representative in BiH (27 May 2002 – 31 June 2006), overseeing the civilian implementation of the Dayton Agreement.

Similarly, Britain played a very significant role in the Kosovo conflict of 1999 under the leadership of former-Prime Minister Tony Blair, Baron George Robertson – the tenth secretary general of NATO, and General Sir Mike Jackson, to name but a few. Indeed, it had been the late Robin Cook, Blair's Foreign Secreatary who had been one of the key architects in forging

an 'ethical foreign policy', which fed into the Responsibility to Protect when human rights violations were perpetrated by sovereign nation states (Giddens, 2014).

More recently, one should consider the work of Sir Robert Cooper in 2011, in developing the EU-led dialogue between Belgrade and Priština, who was superseded by Baroness Cathy Ashton (Ker-Lindsay, 2015). Indeed, Cathy Ashton was a relatively unknown figure in the UK and first appeared before a bemused British public on British television screens at the Maidan demonstrations in 2014, when the crowds were chanting her name (Giddens, 2014). She had spent much of her diplomatic career working with the European Union and over the past 45 years since the UK joined the then EEC in 1972, the representation of the EU by the British media had only ever received cursory coverage in the UK, apart from the occasional outcry that perceived damage was being done to British interests. Interestically, Ashton was interviewed on *Newsnight* by the BBC in the week prior to this conference, expressing her concerns over how Donald Trump had rejected the nuclear deal over Iraq, which, in her own words had cost her years of her life in negotiations (BBC *Newsnight*, 9 May 2018).

With all of these developments it should be noted that increasingly the UK's influence in the Western Balkans has been interlinked with the UK's role in the European Union. This ties in with the belief that the EU should be seen as a force for good, with its democratic norms and values, to say nothing of the economic carrot that it possesses (Hudson, 2015).

As such, the EU may be seen as a panacea to many of the economic, democratic, political and security ills confronting the Western Balkans, even though the road to EU integration has been long and arduous for those six aspirant countries from the Western Balkans. Britain really matters in Europe when it comes to foreign policy because the UK has consistently been a big player. Yet, at the end of the day, surely it is better to work from within an organisation, where one can influence decisions, than to work from without where one has only limited access and leverage. The upshot is that if the UK leaves the EU, its influence across Europe, and especially in the Western Balkans will be diminished, given that the EU potentially remains the main attraction to the Western Balkan aspirant states.

One should add to this line of argument the importance of sharing intelligence and the UK's leading role with regard to European security issues. On Monday 14 May 2018, Andrew Parker, head of MI5 in an unprecedented speech in Berlin praised the quality and depth of the current European cooperation across the 28 member states on counter-terrorism, and security, recognising that the UK, partly because of its tight intelligence links with the US, possesses the most effective security services in Europe. The editorial comment in *The Guardian* (15 May 2018) put it like this: "James Bond was not just a fantasy spy; he was also a fantastical projection of Britain's power and influence in the world." For *The Guardian* the significance of Parker's speech was not about any influence he might have over other European intelligence chiefs, but rather about the message that was being sent back to UK ministers back in London. Once again, the fear is that by leaving the European Union, the UK

will lose much of the leverage and standing that it currently enjoys, and some Western Balkan states feel that they are losing a champion in London (Elgood, 2016).

2. The Impact of Migration through and from 'Eastern Europe' on British Thinking

Waves of migration, most notably through the Balkan Route gained considerable attention in the United Kingdom in 2015 and 2016. This built upon fears of massive immigration caused partly by the seven-year-long conflict in Syria in addition to conflicts taking place further afield. Perhaps, a key factor in the anti-immigration hysteria that was being whipped up by populist parties, such as UKIP (United Kingdom Independence Party) was also the entry into the European Union of Poland in 2004, and Bulgaria and Romania in 2007. Indeed, figures published in May 2018 have shown that at 831,000 born in Poland, this was the highest number of non-UK born people living in Britain, whose total population now stands at 66.57 million (World Population Review, 2018). Whilst the Office for National Statistics is quoted in *The Guardian* as claiming that the number of Romanians and Bulgarians in the UK has risen to 413,000 and that this has been an 80 per cent increase since 2014, following the removal of restrictions on their rights to work in the UK in 2014 (The Guardian, 11 0ctober 2017). *The Guardian* surmises that the number of people coming into the UK from Bulgaria and Romania may also have reflected on the outcomes of the EU referendum in 2016. And, in another article, Jamie Grierson comments that Romania has become the second most common non-British nationality in the UK (The Guardian, 24 May 2018). This has all fed into the growing Euroscepticism and calls for the UK to leave the EU and 'take back its borders'. Yet, these claims denied the fact that few migrants and refugees were actually making their way to the UK, as the target destination was Germany. Furthermore, how can Britain's borders be strengthened by leaving the EU? Surely, the UK already has massive control over its borders by the fact that it is not a Schengen country. The logic might well be that by leaving the Union any incentives for EU partners to cooperate any further with the UK on the issue of migration would simply be removed.

So how would this fear of increased immigration to the UK impact upon the six Western Balkan Countries? The populist response in the UK would be that were the six states to join the EU, they would naturally have the rights to social mobility which would entail being able to work and settle in the UK. In other words, this would raise the spectre of yet more immigration into the UK. However, by contrast the reality is that the impact of the Western Balkan states joining the EU would have only a minimum effect on the UK, given the small size of these countries. The entire population of the six Western Balkan countries seeking EU accession is about 17 million, a fraction of the size of the Polish population alone, which currently stands at 38 million, or that of Romania and Bulgaria at approximately 30 million.

Nevertheless, it still has to be borne in mind that from a populist perspective the fears of a massive increase in population was one of the main fears that drove the Brexit campaign in

2016, and all clarity had been muddied by confusing the wave of immigrants moving into Europe along the Balkan Route throughout 2015/16 stoked by a mistaken belief that yet more migrants would come to Britain from the six Western Balkan states were they to enter a newly enlarged European Union, as had happened when Poland, Romania and Bulgaria joined the EU.

3. Potential Delays in EU Enlargement and Their Impact

The current candidate and potential candidate states in the Western Balkans have already been faced with delays on entry into the EU until after 2019, following a deceleration in the enlargement process and attention being focused on the wider European Neighbourhood policy (Mirel, 2018). However, in 2016 the Berlin Process ushered in a five-year diplomatic initiative to bring new impetus to the enlargement process. In a press conference on 9 November 2017 Jean-Claude Junker, President of the European Commission said: "I really think that Serbia and Montenegro will be members of the EU before 2025."

Meanwhile, Macedonia's accession is dependent upon resolving the name dispute with Greece, which rumbles on at the time of writing.

But, the real fear over European enlargement is that the EU will be too preoccupied with Brexit rather than advancing the Union's enlargement. Some academics, such as Eamonn Butler see Europe's DGNEAR (Directorate General for Neighbourhood and Enlargement Negotiations) as being best placed to support the future of EU-UK relations, as the UK seeks to negotiate some form of relationship with the EU, since the launch of article 50. Yet, this could cause even further delays in the enlargement process, causing further disillusionment with the Euro-Atlantic project in the Western Balkan states.

4 Euroscepticism and the Rise of Populism

Indeed, there is a strong argument that the longer it takes for the Western Balkan states to join the EU the less support there would be for the EU in the region, and once again Brexit is having a considerable impact upon this issue. The biggest fear is that the impact of Brexit will lead to a growth of Eurosceptic, populist, right-wing or extremist parties and sentiments across the region (Butler) not unlike what has been happening in Central Europe over the past two years, exacerbated by the impact of the Balkan Route. Witness Poland's ultra-convervative, nationalist government or Victor Orban's brand of illiberal democracy in Hungary. But, as Nathalie Nougayrède, writing in *The Guardian* (23 May 2018) has commented, it would be simplistic and disingenuous to ascribe all of Europe's woes to its eastern part. So, this is not just some return to an East-West divide and to some extent unfolding events in the West are just as disconcerting as those in the East. Witness Italy's recent elections, bringing anti-immigration populists and far-right extremists to the fore, with Matteo Salvini, Italy's new

hardline interior minister refusing to allow NGO-funded refugee rescue ships to dock in Italian ports (*The Guardian*, 22 June 2018) and Germany with a rickety coalition government, where the far-right Freedom Party holds three key ministries.

In some countries, such as Serbia, support for the EU has already declined to 40 per cent in public opinion polls. This compares with 84% support in Kosovo (Gallup, 12 July 2017). Whilst the impact of Brexit on the EU could simply compound the situation in Serbia, this has been play down by Serbian politicians, who advocate that: "Serbia's EU path does not depend on Brexit" (Tanjug, 29 March 2017).

5. Alternative Forms of UK Influence

There is another potential impact on the Western Balkan states that may be caused when the UK leaves the EU, and that is that the Western Balkan states might lose a strong ally, given that the UK has played such an important role in South Eastern Europe in the recent past. This raises the question; how effective will the UK be in supporting the region if it is outside the EU?

At first sight there are some positives. The UK is still an active member of NATO and the OSCE, and the UK could well use its position within these two inter-governmental organizations to maintain some degree of influence in the region. Certainly, organizations such as NATO and the OSCE provide Britain with a certain degree of influence on the European stage, though it might be argued that neither of these organizations would offer a truly meaningful alternative to the EU as a means of exerting leverage in the region. Furthermore, Britain's continued role on the UN Security Council is currently open to debate, following the current UK government's lack of investment in the British armed forces in a period of continued financial austerity (The Sunday Times, 24 June 2018).

Take NATO as an example. This organization focuses on security, whilst by contrast the EU covers a broad range of social, political and economic fields; issues which have a stronger appeal to Western Balkan states than NATO. Furthermore, from a Western Balkan perspective, the UK's role in NATO, as opposed to its role in the EU might carry significantly less weight, given that for example in a country, such as Serbia, 73 per cent of the population have declared themselves in opinion polls to be against NATO (Tanjug, June 2015). The upshot is that if the UK were only to operate within NATO it would lose any leverage or influence over Serbia, Bosnia and Kosovo, the very three Western Balkan states in which the UK, up until now, has had provided so much support and influence.

6. Growing Russian Influence

Factor in Russia. Obviously there has been growing influence of Putin's resurgent Russia in South Eastern Europe over the last few years. This has partially been due to soft power politics, such as culture and especially Slavonic and Orthodox ties in some parts of the region,

amongst Serbs, Macedonians and Montenegrins. Otherwise, Russia has been exercising economic leverage particularly in the fields of energy (gas and oil). At the same time, in the West there have been growing concerns over Russian leverage and soft power politics in the Western Balkans. One way of resolving this issue, from a Western perspective would be to offer a clear road map for aspirant states from the Western Balkans with regard to EU enlargement and accession. Obviously, Britain would not be in a position to press the agenda on EU enlargement if it were to be outside the European Union. So once again, British influence would be neutralised because of the impact of Brexit. This also comes at a time when the UK's relations with Russia are at their lowest ebb since the end of the Cold War. The process has been gradual, whilst many commentators have dated this back to Russia's gradual resurgence under Putin, since January 2000 (Lucas, 2008 and 2014), and especially with the Russian invasion of Georgia in 2008, others pre-date this. Arkady Ostrovsky, dates it to the bombing of Belgrade in 1999 (Ostrovsky, 2018), whilst this author looks more to the rush for Priština airport between coalition and Russian troops, in 1999 (Hudson, 2014).

Certainly, from a British perspective things do not look too good, in the light of the poisoning of Alexander Litvinienko by polonium in London in November 2006 and the Skripal Affair, involving the use of the Soviet chemical nerve agent Novichok, in Salisbury in April 2018. However, as Eamon Butler has pointed out, things are not necessarily so bad for the EU, given that in 2015, 76 per cent of the total trade of the Western Balkans was with the EU 28, compared with only 5.2 per cent with Russia (Butler, 2016).

Also, with regards to exports, the UK is only a minor export market for the Western Balkans, compared with Italy, Germany and Central Europe. The upshot being that from an economic perspective alone, Brexit will not impact on exports from the Western Balkans. Britain's significance in the region is dependent more upon politics and security.

7. A Rump-United Kingdom: Uncertainties Over the UK's Constitutional Future

There is another aspect of the Brexit debate which could damage British influence even further and it is that as a result of Brexit, Britain could be weakened constitutionally from within. The upshot is that if the UK were to lose Scotland, following another independence referendum, the UK could emerge as a rump state. This is a real concern, given the fact that the Scottish vote during the June 2016 referendum on the EU returned 62 per cent in favour of remaining in the EU and only 38 per cent in favour of Brexit, with all 32 council areas backing remain (BBC News, 24 June 2016). The UK risks not only leaving the EU, but also losing Scotland in the process. Consider as well the ripple effect of events in Catalonia over the last nine months. Scotland, withdrawing from the UK could have a major impact on the rest of Europe and beyond. Alongside the idea of Catalonia breaking away from Spain, there could be a further ripple effect which could, with time impact upon Bosnia and Hercegovina and even the Republic of Macedonia.

Conclusion

This paper has demonstrated that in the recent past, the United Kingdom has played a significant role in the Western Balkans, especially in BiH, Serbia and Kosovo. It has advocated that the UK could continue to play such a role were it to remain within the European Union rather than leave. The argument being that one can have far more influence by remaining within an institution and reforming it from within, rather than opting to leave and have little or no influence at all. Certainly, the UK has been a major player in the past, alongside Germany and France and it would be sad to see Britain lose this role. The UK has also been a major player within the North Atlantic Treaty Organization, being able to influence the United States and serve as gateway for American-EU relations. It might well be that Britain is not only losing its key status within the EU, but also within NATO, if not indeed on the world stage. All of these issues will impact upon the Western Balkans.

As for Europe, Brexit is no longer the key issue. For Emmanuel Macron, the French President, and Angela Merkel, the German Chancellor migration and Eurozone financial stability are even more urgent than Brexit. Yet, for Merkel it would seem that: "Her formidable command of German politics has been corroded by time and the backlash against her generous response to the refugee crisis" (*The Guardian*, 21 June 2018).

Two years after the referendum, British opinion remains deeply divided. On the weekend that marked the commemoration of the 2016 Brexit Referendum and saw the completion of this paper, more than a 100,000 people in favour of remaining in the EU, marched down Whitehall to demand a second referendum (*The Observer*, 23 June 2018). At the same time, Siemans, BMW and Airbus had all expressed their concerns at the current British government's progress, aims and objectives in the Brexit negotiations with the EU. In the meantime, business leaders, represented by the CBI (Confederation for British Industry), the Institute of Directors, the British Chamber of Commerce and the Federation of Small Businesses, launched an unprecedented attack on the Government's handling of Brexit, arguing that time is running out to save British jobs. Whilst, Labour leader Jeremy Corbyn has remained silent on the issue, Foreign Secretary Boris Johnson is alleged to have said: "F... business" - Strange times, indeed.

In the meantime, the biggest irony of all is that the UK government will be hosting the fifth Western Balkans Summit in London as part of the Berlin Process. According to the official government web site, the summit will focus on three important aims: increasing economic stability in the Western Balkans; strengthening regional security and facilitating political co-operation between the six Western Balkan states. The UK.gov web site adds: "The UK wants a strong, stable and prosperous Western Balkans region. By hosting the summit in London, we demonstrate our continued interest and involvement in the stability of the region *beyond our exit from the EU*" [This author's italics].

A cynic might well add that the plucky British Brexiteer Buccaneers are already planning a raft of future trade deals in the Western Balkans in the aftermath of leaving the EU. Meanwhile, Britain stands on the edge of the precipice. One can only be optimistic and pray.

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Multi-Speed Balkans: Positioning the Balkans in Multi-Speed Europe

Nikola Lj. Ilievski and Goran Ilik

Abstract

This chapter addresses the perspective of the European Union as a Multi-Speed Europe, in which in a Balkan context, member states participate in common policies and choose the ones they are (or are not) willing and able to participate in. The integration experience witnesses a Multi-speed approach to European integration, as may be demonstrated in the cases of the European *Monetary Union* and the *Schengen Agreement,* in which not all the member states participate. The goal of this paper is to apply the Multi-speed model within the Balkan states – in the concrete cases of Macedonia, Greece, Bulgaria, Albania, Croatia, Bosnia & Herzegovina, Kosovo, Serbia and Montenegro, within the *circles* of integration, and in the process of European integration in general, thereby creating a model of Multi-Speed Balkans.

Key words*:* European integration, Multi-speed Europe, differentiated integration, Balkans, Multi-speed Balkans.

Introduction

This paper addresses the perspective of the European Union as a form of differentiated or asymmetrical integration, through the model of Multi-Speed Europe, with the aim of applying this interpretation to the Balkan context. The chapter is divided into 3 integral parts. The first part is focused on the phenomenon of differentiated integration, while analyzing the asymmetry of achieving different stages, in the process of European integration. The EU can be regarded as a political manifestation of the differentiated integration, covering member-states which participate in certain common policies, while others, have the opportunity of being able to opt out so long as they do not block the tempo of integration process. The mutual relations each Balkan state has established with the European Union are analyzed in the second part of this chapter. Officially, some of the subject states are member-states of the EU, while others are not, but have nevertheless been articulating their desire and determination to gain membership status. In the meantime, the EU looks toward finalizing its *territorial* integration. In that sense, even the non-member Balkan states, are located and are part of the European integration processes, based on the mutual relations they have established with the EU. The EU as a conceptual model of differentiated integration is applied in the context of the *Balkan states*, in the final part of this chapter. Their mutual relations are operationalized, while the states are located at different speeds of integration, within the model of Multi-speed Europe and all of these examples are illustrated graphically.

Thus, the goal of the paper is to provide answers to the following research questions:

1. What is the meaning of differentiated integration?
2. What are the models and policies of differentiated integration?
3. What are the relations of each Balkan state with the EU?
4. What does the term European integration cover?
5. How is the model of a Multi-speed Europe applied in the context of Balkan states?

Differentiated Integration

1. Political, Economic and Differentiated Integration

The etymology of the term integration, in general, reveals its meaning as *a whole, made whole*, identifying with *unification*, *alliance*, *incorporation* and *union*. Adding the political prefix, integration in a narrow sense is defined as a *political unification* of two or more political units, in order to establish a *common political (institutional) community*. The term *political integration* may be understood on two levels. Firstly as a *process* of establishing a political community, and secondly as a certain *stage* in the same process. Ernst Haas, an

integration theorist defines political integration as the process whereby: "nations forgot the desire and ability to conduct foreign and key domestic policies independently of each other, seeking instead to make joint decisions or to delegate the decision-making process to new central organs" (Lindberg, 1963). The process involves the activity of delegating the power of decision-making to new central organs, which includes the delegation of national sovereignty to a newly established –supranational body (Ilievski 2015). As a stage, it denotes a particular phase in the process of integration and usually refers to the last one – *Full political integration*, identified as a stage where the units or the member-states, have handed over the major part of their decision-making power, or sovereignty to the supranational entity (Castaldi, 2007), have stopped being direct subjects of international public law (Dosenrode, 2010), and have established a *finalité politique* (Kovacevic, 2013), and/or *political union*, (Michael, 2012). *Economic integration* refers to the *process* of delegating sovereignty and establishing supranational institutions from an *economic perspective* in the *economic sectors* or areas of integration and also represents a *stage* in that process. In line with the theory of *Neofunctionalism*, the process of economic integration, at a certain stage , tends to initiate political integration among the subjects in order of establishing a political union, in the long term (Heinonen, 2006). The phenomenon of initiating political integration, within economic integration is known as a *spill-over effect* (Majone, 2009). Both phenomena of political and economic integration are regarded as a *vertical integration*, one of institutions and policies, different from *horizontal integration* (Schimmelfennig , Leuffen & Rittberger, 2014) which covers the integration of new states in the integration structure (the territorial aspect of integration).

Differentiated integration stands for integration, involving two or more different stages of integration within the process, developed by its state actors and determined by their preferences and capacities (Ilievski, 2015). Practically, from the actor's standpoint, there are member-states that are *more integrated* within the entity, delegating a greater quantum of their sovereignty to the supranational entity, and there are ones that are less integrated (Neve, 2007). From an integration perspective, there are at least two integration stages (Tekin & Wessels, 2008), within a single integration process, namely the *integration core* and the *integration orbit* (Brandi & Wohlgemuth, 2006). Operationalized, integration refers to variations of the application of European policies, and variations in the level and intensity of participation in the European political system (Majone, 2009). These variations are caused by the integration actors, who choose the policy they are willing to participate in (Jensen & Slapin, 2010). In addition, European integration is identified as a differentiated integration, since it does not represent a *uniform* and *symmetrical process* of integration, but covers the existence of more levels or stages of vertical integration - involving the adoption of different formal and informal arrangements, inside or outside the EU treaty framework (Matarrelli, 2012). The differentiations in integration are assigned by a member-state's *preferences* and *abilities* in the process.

2. Models and Policies of Differentiated Integration

The European Union has adopted, or inspired, at least 3 types of differentiated integration, determined by the nature of the differentiations. The first one serves as a base for the models of a *Two-Speed Europe* and a *Multi-Speed Europe*, and perceives differentiation as a *temporal* category, and sets the differentiated integration as a method of achieving symmetric integration, while at the same time accommodating the member-state's preferences. The second category is based on *territorial* differentiation, dividing Europe into a more integrated West, and a less integrated East, as represented through the models of a *Core Europe* and a *Europe of Concentric Circles*. The last category introduces the models *Variable geometry* and a *Europe à la carte*, setting the sectors of integration as a basis for the differentiations, while adjusting a state's preferences for integration (Von Ondarza, 2013). It could be introduced as six aspects of differentiation, mainly *permanent* vs. *temporal*; *territorial* vs. *functional*; *across nation states* vs. *multi-level*; *within EU treaties* vs. *outside EU treaties*; *EU level decision-making* vs. *regime level*; and *member-states* vs. *non-member states/areas outside the EU territory* (Holzinger & Schimmelfennig, 2012). Models of differentiated integration find practical political application in the process of European integration (the European Union). It is evident that certain member-states are participating in certain common policies, while others are not. Among other cases, a visible representation of differentiated integration is the cooperation established within the *Schengen-zone* and the *Euro-zone*. The Schengen-zone (Schengen cooperation) tends to remove the border-checks among the member-state of the Union. The cooperation started outside the EU treaties framework, among member-states of the Union and certain states that are not member-states (Switzerland and Norway), based on an inter-state treaty (Piris, 2012). Later, in 1997 with the Amsterdam Treaty, the cooperation was transferred to an institutional European level, through incorporation into the constitutional treaties of the EU and positioned itself on a supranational level or *acquis* (Ilievski, 2015). The specific thing about this cooperation is that it provides an instrument for opting-out, for the member states that do not wish to participate in that particular sector of integration (Great Britain and Ireland), while at the same time establishing *institutionalized differentiation*. The Euro-zone stands for the the cooperation of the member-states of EU in the sector of monetary policy, particularly, establishing a unitary monetary system, followed by an official currency – the Euro, constitutionalized by the Treaty of Maastricht. On the other side, there are member-states that have expressed their unwillingness to participate in the common policy, besides their capacity of fulfilling the conditions of participating (the case with the United Kingdom – no longer a member-state after *Brexit* and the Kingdom of Denmark). The Kingdom of Denmark is opting-out (while initiating differentiated integration), formally based on the Maastricht Treaty (Treaty on European Union, 1992), particularly in the Protocol on Denmark, stipulating that: "the provisions of Article 14 of the Protocol on the Statute of the European System of Central Banks and of the European Central Bank shall

not affect the right of the National Bank of Denmark to carry out its existing tasks concerning those parts of the Kingdom of Denmark which are not part of the Community" (Treaty on European Union, 1992).

The integration cases of the Schengen zone and the Eurozone represent the most adequate examples of differentiated integration within the European Union. Despite it, the differentiations are institutionalized with the Lisbon treaty, stipulating the mechanism of *enhanced cooperation*, which institutionally frames a potential integration in each particular sector of integration (Ilievski, 2015).

Table 1: *Integration as a process and as a stage (source: our own depiction)*

Processes of Integration	Regional Integration	Economic Integration	Political Integration
Stages of Integration	Region	Free Trade Agreement	Ad hoc Intergovernmental Political Cooperation
	Regional Complex	Custom Union	Institutionalized Intergovernmental Political Cooperation
	Regional Society	Common Market	Institutionalized Intergovernmental Political Coordination
	Regional Community	Monetary Union	Partial Supranational Integration
	Regional (Federal) State	Fiscal Union	Political (Federal) Union

The EU & Balkan States

In the context of this chapter term *Balkan states*, stands for Greece (Hellenic Republic), Republic of Bulgaria, Republic of Macedonia, Republic of Albania, Republic of Kosovo, Bosnia and Herzegovina, Republic of Serbia, Republic of Croatia and Republic of Montenegro, a narrower interpretation of the Balkans, excluding Republic of Turkey, Republic of Romania and Republic of Slovenia. When it comes to the European integration, the Balkan states are divided mainly into 2 groups, the ones that are member-states of EU, and the ones, non-members (Europa.EU, 2018).

3. Member-states of EU

Three of the above listed countries are member-states of the EU, namely, Greece, Bulgaria and Croatia. (a.) The Hellenic Republic is a member-state, starting with its negotiations back in

1976, and the signing of the Accession Deed in 1979. The Deed was ratified in 1979, and the Accession Treaty entered into force in *part of the Euro-zone* in 1981. Greece has been part of the Eurozone since 2001, and of the *Schengen-zone*, since 2000. (b.) The Republic of Bulgaria is also a member-state of the EU, and joined the Union in 2007. It has committed to adopting the euro once it fulfills the necessary conditions, and currently is in the process of joining the Schengen area. Accordingly, it is not officially a part of the Schengen Cooperation, and the Monetary Union. (c.) The Republic of Croatia joined the Union in 2013, has committed to adopt the Euro once it fulfills the necessary conditions, but is not part of the Monetary Union, nor of the Schengen Cooperation.

4. Non-member States of EU

Seven of the listed Balkan countries are not EU members, but have declared their pro-EU orientation, and have initiated the process for a potential membership status in the Union. In addition, there is also the existence of division among the Balkan non-member states, introducing two groups, namely, *candidate* and *potential candidate countries* for member-state-status within the Union. (d.) The Republic of Macedonia is a candidate country that signed *the Stabilisation and Association Agreement* with EU on 9 April 2001, which entered into force in 2004. In 2005 applied for EU membership, while in December 2005, the Council decided to grant the country a candidate status. In October 2009, the Commission recommended that accession negotiations be opened. (e.) The Republic of Albania is a candidate country that has also signed *the Stabilisation and Association Agreement* with EU, which entered into force in 2009. In June 2014, Albania was awarded candidate status by the EU. (f.) The Republic of Serbia is a candidate country that also has signed *the Stabilisation and Association Agreement* with EU, which entered into force in 2013. In line with the decision of the European Council in June 2013 to open accession negotiations with Serbia, the Council adopted in December 2013 the negotiating framework. (g.) The Republic of Montenegro is a candidate country that has signed *the Stabilisation and Association Agreement* with EU, which entered into force in 2010. The accession negotiations started on 29 June 2012. (h.) Bosnia and Herzegovina is a potential candidate country that has signed *the Stabilisation and Association Agreement* with EU, which entered into force in 2015. (i.) The Republic of Kosovo is a potential candidate country that has signed *the Stabilisation and Association Agreement* with EU, which entered into force in 2016.

All of the Balkan states are located on the *agenda* of future enlargement of the Union, and accordingly, the existing differences are of temporal character, and set as a base for achieving further integration.

Table 2: *Balkan states, their status with (in) the EU, and the stage of integration they are part in (source: our own depiction)*

Balkan State	Status with(in) the EU	Stage of Integration
Greece	Member-state	Monetary Union, Schengen Zone
Bulgaria	Member-state	Common Market
Croatia	Member-state	Common Market
Macedonia	Candidate-state	Stabilization & Association
Albania	Candidate-state	Stabilization & Association
Serbia	Candidate-state	Stabilization & Association
Montenegro	Candidate-state	Stabilization & Association
Bosnia & Herzegovina	Potential Candidate-state	Stabilization & Association
Kosovo	Potential Candidate-state	Stabilization & Association

Positioning the Balkan States in Multi-Speed Europe

5. The Process of European Integration as Multi-speed Europe

Examined conceptually, the process of European integration embraces various processes unfolding within the European Union, but also includes the ones it has established and developed with non-member countries, which tend to achieve membership, while gravitating towards the Union. In addition, integration is observed in two ways, and covers two types of integration, namely *vertical* and *horizontal* integration. The vertical type is identified with the processes of political, and/or economic integration, where the indicator of integration (vertical) is the *stage of economic/political integration* achieved by the member-states. The dynamics of vertical integration tend to establish a political union, operationalized in a certain type of federation. While, on the other hand, the horizontal dimension of integration tends to institutionalize the relations with the neighboring subjects, positions the goal of membership of those countries, and in that way, an attempt to play an active role in the process of vertical integration. The process is finalized, when the whole continent is integrated into the Union (ideally), and those non-member countries, who are determined to become members of the EU. The classification of integration as European tends to cover all the countries in Europe - the member-states of the Union, and the ones that are not part of it, but are articulating the desire and determination to achieve membership status.

When the Union is positioned as a subject of the integration process, it could be stated that it has not finished either its vertical, or its horizontal integration. Certainly, the Union, cannot be defined as a federation (or even federation in the making), nor does it refer to the whole

continent of Europe and all European countries. Despite this, the Union establishes various relations with these non-member states, and accordingly, they are in the zone of the Union's influence or *soft power* (Van Ham. 2010) as a part of the *Eurosphere* (Leonard, 2005; Ilik, 2012), while the Union may be defined as *postmodern liberal empire* (Cooper, 2002).

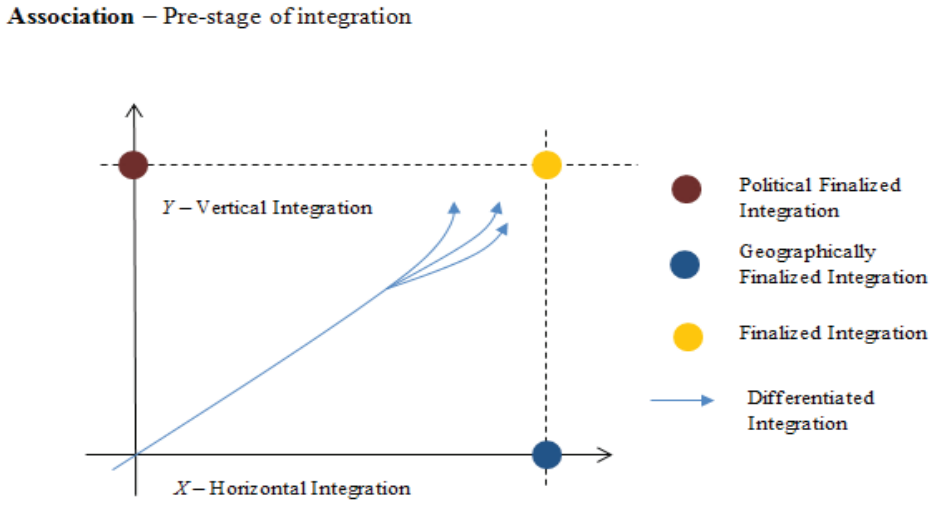

Chart 1: *Horizontal, vertical and differentiated integration (Ilievski, 2015)*

6. Multi – Speed Balkans

Among the Balkan states that are member-states of the EU, the existence of differentiated integration, is examined, representing Greece as being *more integrated*, and Bulgaria and Croatia, as less so. The differentiations in the case of the Balkan EU countries are of a temporal character, and relate to the particular (non) participation of certain countries in certain policies. The temporality of the differentiations is based on Bulgaria and Croatia's determination to achieve the next stage of the integration process, particularly to join the Schengen zone and the Monetary Union. In that case, the model of a *Multi-speed Europe* is applicable among these countries, represented as an *integration core*, consisting of Greece, and the *integration orbit*, consisting of Croatia and Bulgaria.

Among the Balkan states that are non-member states, can also be located the existence of differentiations within their initial integration into the EU. The differentiations in the relations each country has established with the Union are based on the status they have gained with it, and serve as a temporal mechanism for achieving membership status. The candidate-states tend to form an integration orbit outside the EU, but within the wider context of European integration.

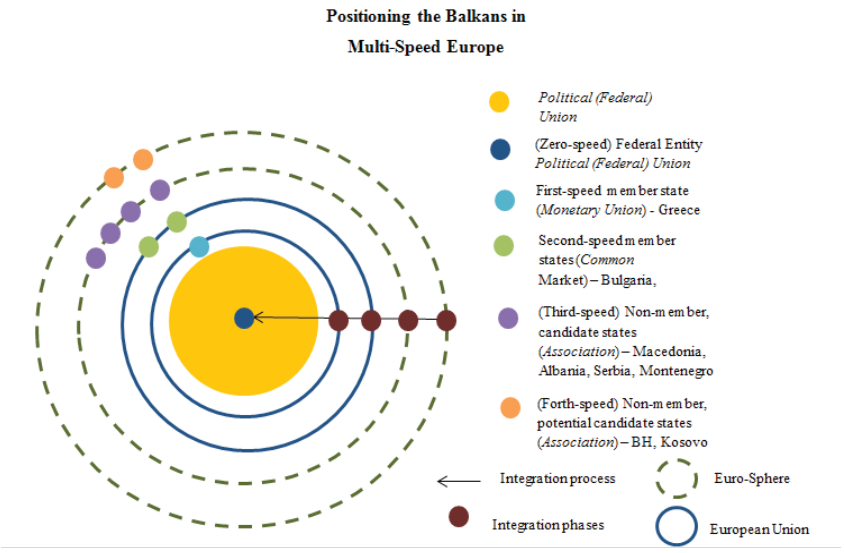

Chart 2: *Multi – Speed Balkans: Positioning the Balkan states within Multi-Speed Europe model (source: Our own depiction)*

If potentially, the goal of the Union is identified with establishing Political union, the zero-speed, or the integration-core, potentially involves member-states (federal entities) participating in all the common policies, which have delegated a crucial part of their sovereignty to the federal core. There are no member states that have achieved this particular stage of integration, neither Balkan, nor European ones. In the case of the Balkans, the Multi-speed Europe, is projected as 4-speed, and introduces 4 levels of integration. The *first speed* is represented by Greece, as a member-state participating in all the common EU policies. Croatia and Bulgaria create the *second speed*, as part of the Union, but they are still not part of the Schengen and Euro zone. The third and the forth speeds are reserved for non-member Balkan states, which have developed relations with the EU. Macedonia, Albania, Serbia and Montenegro, particularly as candidate-states, or future member-states, form the third speed of Multi-speed Europe, as applied to the Balkan case. The fourth speed is made up of potential candidate-states, such as Kosovo and Bosnia & Herzegovina. The third and fourth speed, are not officially part of the Union, but definitely, are part of the European integration process, or of the Eurosphere, in particular.

V. Conclusion

European integration stands for a process which involves vertical and horizontal integration, framed in the European context. Vertical integration is identified with the processes of political and economic integration, covering the institutional part of the integration process, and the process of developing a common approach, building common institutions, and making common decisions. On the other hand, horizontal integration examines the process of integration in geographical terms. In the sense of Europe, it corresponds with the natural borders of the continent, particularly, in the West - the Atlantic Ocean, in the North – the Arctic Ocean, in the East – the Ural mountains, and in the South – the Mediterranean sea.

Moving onto the process of European integration, the member-states are confronted with challenges referring to their will and their ability to delegate part of their sovereignty on the one hand, and on the other hand, the Union, represented through its institutions and member-state's unanimity, is aware of these difficulties. As a solution to the difficulties and challenges, the phenomenon of differentiated integration arises, allowing and initiating the creation of several stages of integration, determined by the member-state's ability and desirability. The differences due the integration processes could be of a temporal character, and are established in order of fulfilling European integration. In that way, the evolving of a Multi-speed Europe is seen as a compromise between the tendency of integration within the Union, and national preferences and abilities.

The model of a Multi-speed Europe could be applied restrictively in the Balkans, introducing four integration speeds, or integration orbits. The first orbit consists of Greece, as the most EU-integrated country in the Balkans. The second one is that of Croatia and Bulgaria, as member-states of the EU, but not part of all common EU policies. The third speed introduces Macedonia, Albania, Serbia and Montenegro, as EU candidate-states. The fourth speed consists of Kosovo and Bosnia & Herzegovina, which are potential candidate-states. Although not members of EU, the countries being part of the third and the fourth integration speed are located within the Union sphere of influence, and thus, they are visible units in the horizontal aspect of the European integration.

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How to Escape Peripheralization? Lessons from Central Europe

Jan Mus

Abstract

This paper will endeavour to answer the question why the Western Balkans, despite the development of relations with the EU and gradual integration with the common European market, fell short from achieving economic success and satisfactory social standards. And more specifically, why the Western Balkans cannot follow the example set by Central European states such as Poland? Economic data shows that the gap between the Western Balkans and the EU has stagnated, if not deepened. It means that, despite the progress in European integration processes, the region is still suffering from major social and economic problems. To answer these questions, the author evaluates Poland's experience in the process of EU integration. The Polish model of integration, which is often referred to as a success story and serves as a guidance for newcomers to the EU, has three disadvantages. Firstly, it hides a number of significant social problems, which resulted in general discontent in the society, reflected, most visibly, during the recent presidential elections. Secondly, economically and internationally Poland and the Western Balkan states represent two very different cases. Finally, it is important to emphasize that EU integration has been based on the liberal paradigm, which failed in its economic dimension, leading to (re-)peripheralization of the new member states and their weak economies.

Key words: European integration, Balkans, EU enlargement, peripheralization.

Introduction

The case of Polish membership in the EU has been presented as a success story, while the victory of the Euro-sceptic Law and Justice (*Prawo i Sprawiedliwość* - PiS) is seen as the unexpected setback of a politically immature society. This narrative is understandable from the perspective of liberalism, for which the market economy and the ever decreasing role of the state in social, economic and cultural spheres of human life are the holy grails and the very foundations of development and wealth, represented in the case of contemporary Europe by European Integration. A critical approach to contemporary development in Poland indicates that the side effect of European integration is a high social cost of reform and an overall liberal transformation. From a critical perspective we can also observe the preservation of the existing relations of subordination, as Johan Galtung put it, of a vertical and feudal character, with different countries serving as the core and others as peripheries.

The capitalist structure of the economy and its subsequently established social relations in Europe lead us also to other general conclusions. First of all, this type of social construction produces inequality and, with it the concentration of capital and political power. Secondly, the costs and benefits of such relations are spread unequally thereby reinforcing asymmetry in wealth and development and as such influence political stability.

When analyzing international relations and so European integration, one can observe that some countries develop "more" and "better" than the others and that these various types of development are interconnected, in terms of the development of privileged states, which is achieved thanks to the underdevelopment of those "less equal" states, to paraphrase George Orwell. Finally, what has been already indicated by John A. Hobson, the character of the capitalist type of economy implies permanent expansions, both domestically and abroad. The consequence of such a claim is the relevant dynamic in international politics and need for the enlargement of the market (2005).

Subsequently, while taking into account the factors given above, we should observe in the EU economic inequalities and political asymmetry. Both being the cause and the result of each other. Economic development determines political structure, which in turn reinforces the economic model. In other words the European Union has been created as a capitalist or free market organization that allows development and the maintenance of this type of economy. EU enlargement is a process that also reflects these trends. This type of relationship between various social forces, but also between states, organizations and other institutions is known as core-periphery relations and the process itself as peripheralization.

In the following text we should first of all establish which position occupies particular states on the axis of core-peripheries and how to determine these positions. From a global perspective, it is relatively easy to indicate which country belongs to the core, and which one belongs to the periphery. We can spot very quickly well-developed, export-oriented economies with well-functioning political institutions, foreign policy and a strong position

in international relations, and, on the other hand, the state that struggles for international recognition, suffering at the same time from heavy unemployment, financial dependency, a ruined infrastructure and non-functioning basic public services, such as the healthcare system, public transport, education and social security. It is especially easy when comparing various regions in the World. For example, Western Europe, Japan, China or the United States with some economically underdeveloped countries suffering serious social problems as in many countries to be found in Latin America, Africa or the Middle East.

Problems arise when analyzing areas that have been economically integrated and that additionally remain in a single geographical climate and cultural area. The political borders blurry and a significant portion of these states fall somewhere in-between core and periphery. There the unemployment remains low, the quality of life differs from the group of peripheral states and still being far away from the quality of living provided by the core countries, the economy is developing, yet, the social tensions and relatively weak international position limits their developmental capabilities. Moreover inequalities change every tens of kilometers rather than being marked by state borders.

It is even more difficult to indicate dependency networks between countries occupying a specific position in the hierarchy determined by the international division of labor. With the network of developmental cooperation and free market forces playing an ever increasing role in international relations during an era of globalization, it is challenging to indicate the border and show who in fact is benefiting more from particular action. In other words a simple indication of Foreign Direct Investment (FDI) and international trade flows does not help anymore in positing a country on the core-peripheries axis. The income from such activities can be transferred to another, "kin-economy". The character of goods involved in trade might be very "peripheral". Moreover the redistribution of profit in the host country, as well as the level of complexity of the relevant economy could also clarify the picture.

What Is Core and What Periphery – Theoretical Approaches

Johan Galtung (1971, p. 83), in his "Structural Theory of Imperialism" defines relations between particular states as imperial:

> Imperialism can be defined as one way in which the Center nation has power over the Periphery nation, so as to bring about a condition of disharmony of interest between them. Concretely, Imperialism is a relation between a Center and a Periphery nation so that (1) there is harmony of interest between the center in the Center nation and the center in the Periphery nation, (2) there is more disharmony of interest within the Periphery nation than within the Center nations, (3) there is disharmony of interest between the periphery in the Center nation and the periphery in the Periphery nation.

As a result of this relation the asymmetry between development, and therefore also the social tension are being reinforced. Galtung (1971, p. 90) suggests eight dimensions where the gap is widening: economic, political, military, communicative, educational and scientific, employment, social transformation and psychological. He also suggests two very useful indicators that help us to distinguish between core and periphery – this is trade concentration and commodity concentration.

Structural theory of imperialism does not explain the development of CEE in the 1990s and the increase in the quality of life and overall economic development that can be observed in the new member states of the EU. It also does not address the question of intra-system dynamics and shifts on the axis core-peripheries and role of the states like Poland, Lithuania, Estonia Czech Republic or Hungary that play an important role in European integration as an intermediary between the West and the East.

Empire authored by Michael Hardt and Antonio Negri (2000) provides a more general picture of the world, where the *Empire* does not have a geographical center of power. It is a world system in a post-imperialist world after 1989, where the nation-states are not able to establish imperialist rules over subordinated nations. Therefore the *Empire* does not require permanent borders and barriers. As such it remains a decentralized, non-territorial apparatus of power. It is composed of three vertical and pyramidal levels of power. The highest level is occupied by the USA (a superpower that can act on its own but rather cooperates with others within the UN). Below that is a group of countries that control global monetary instruments (they can control international exchange). These are the G7 countries, the Paris Club, the London Club, and Davos. Finally there are a number of associations that distribute biopolitics and culture at a global level. On the second level of the pyramid there are transnational corporations - networks of capital, technology and population; with sovereign nation states often subordinated to the authority of supranational corporations) According to the authors, the role of nation states is limited to political mediation concerning global hegemonic powers, negotiations with transnational corporations, and the redistribution of income according to the biopolitical needs of its own territory. Finally on a third level, there are the groups representing the interests of the general public in the global system of forces. Global society is represented by organizations that are relatively independent of national states and of capital.

While *Empire* might be used for clarification of some general, global trends in IR, it does not explain developments occurring in the EU, its tools, methods, and institutions. Studies on imperialism focus mostly on "real" empires, mostly the United States of America and the Soviet Union, based on the historical experiences of ancient, medieval and modern-era empires around the globe. The European Union and its enlargement however does not have a classical imperial character. New member states benefit from economic cooperation in terms of trade, labor dynamics, and financial shifts much more than they used to in the Eastern Block. There is clearly a certain level of "Europeanness" and relatively high support for European

integration across the continent. Even if we take into account that such support is created by the media and political elites, it does not change the fact that it is more efficient than the Soviet Union, in whose propaganda only a few people believed.

An author, who focuses more on the relations than on the core itself is Immanuel Wallerstein. According to his vision of international relations, each of the positions plays a particular function that is presented in the table below.

	Centre	Semi-peripheries	Peripheries
Type of government	Democratic	Authoritarian	Authoritarian
Wages	High	Low	Below minimum level of existence
Social services	Developed	Underdeveloped	Non-existing
Export	Manufactured goods	Manufactured goods and raw materials	Raw materials
Import	Raw materials	Manufactured goods and raw materials	Manufactured goods

Source: Czaputowicz (2007, p. 161)

Wallerstein in his model did not foresee the consequences of the globalization processes. The level of the integration of the European Union however leads to much more developed FDI within the common market. Therefore trade between states can be a misleading indicator. The relevant companies might export manufactured products from peripheral to core states, in other words, in the opposite to Wallerstein's logical direction. However they can subsequently transfer the profit to the core. Secondly there is a question of the level of complexity in the economy and of some raw materials, such as gas and oil, that plays an extremely important role in the economic development of any country. Finally, just as in the case of imperialist approach the level of development and the relative symbiosis of economies participating in the European system suggest to us a different type of relationship. Otherwise the voluntary integration of the Central and East European countries (CEE) with the Union in 1990s would not have been possible.

While there is no space in this volume to inquire deeper into the question of peripheral status of the Western Balkans, we should only summaries some general facts. FDI and the geographical structure of international trade proof clearly that the Central-, Southe-eastern-, and Eastern European groups depend on economies of the Western Europe. Other indicators show that despite economic integration the development in the peripheral groups does not change significantly its position vis-à- vis the center. Semi-peripheries improved their position, however they are still far away from the core.

Most problematic is the indication of a causal link between a specific position in the international hierarchy and the level of economic development and therefore also of the social tensions and political stability of any given country. An interesting example here constitutes countries such as Turkey, Belarus or Azerbaijan, which despite their political regimes did achieve success. Contrary to this, countries, such as Bosnia and Herzegovina, Ukraine, Kosovo or Macedonia which adopted the best democratic solutions from the Western world and noted no success in the fields of economic and social development. These cases also indicate that liberal reforms do not necessarily bring about positive results for the economies and societies in question.

Lessons for the Balkans

Lesson 1. The 1990s are gone.

The integration of Central Europe took place in very specific international environment. Chaotic dissolution of the Soviet Union and violent fall of the Yugoslav federation has shown to the West the possibility of a negative scenario occurring in its immediate neighborhood. There has been a number of ethnic or border issues between particular states of CEE, that could easily ruin peaceful transformation processes also in this part of the continent. Its destabilization would have a direct negative impact on Germany and other western states. Therefore countries like Poland or Hungary received more than just a declaration of support. It was in the interest of Germany, Sweden, Denmark, the Netherlands and France to move the border to the east and incorporate new countries, with their markets, cheap labor and eventually with millions of new, enthusiastic consumers of western products, so visibly lacking during the unleavened years of authoritarianism. Security concerns overlapped in these cases with clear economic interests. In this sense Poland has had a big brother - Germany. By contrast, Macedonia, Serbia, and Albania do not have any.

The integration of the region has been accomplished as far as the European economic interest is concerned. Most of the trade and FDIs are linked to the European Union. In general, Western Balkan economies are very much connected to, if not already integrated with the Single European Market of Western Balkans the EU. From the other angle, the political climate in the West does not encourage any further concessions and efforts pushing towards EU enlargement. In other words, the economic goals have been accomplished, without the necessity of a deeper political cooperation involving the membership of the Western Balkan states.

Moreover, CE elites were able to push their countries towards the West. The Yugoslav and Soviet regimes did not, for different reasons, produce any influential and strong political opposition. The Yugoslav regime was economically too successful, whilst the Soviet regime was too harsh for opposition to grow wings. In effect, at the beginning of the 1990s, Poland,

the Czech Republic, Hungary and exceptionally the Baltic states had elites that were Western-oriented, enjoyed popular support and had enough of political experience to be able to lead their nations. Francois Mitterrand and Helmut Kohl found their respective talk partners on the Vltava, Vistula and Danube rivers. At the same time in the post-Yugoslav republics it was often the case that the former apparatchiks, turned-nationalists preserved their power and influence for many long years.

At the end of the day and contrary to the liberal perception of international relations, it is the influence of other players, perceived in the West as a threat, that brings the Balkans ever closer to the Union. The gradual growth of, or at least more visible Russian influence in some of the Western Balkan states draw the attention of the Western players. The same concern was raise for the Turkish impact on the Muslim communities, especially in Bosnia and Herzegovina and Kosovo, alongside, , although to a lesser extent of Chinese economic penetration. The short-lived era of peaceful cooperation under banners of free trade and democratization, building a network of interdependence disappeared from Europe after the 2008 crisis, the war in Georgia and the annexation of Crimea. Hence, the taste for integration has been killed by the hunger of expansionism. And, it is only the possibility of influence from outside that brings the Western Balkans closer to the European Union, which perceives the region as its sphere of influence.

Lesson 2. Size does matter.

Polish accession to the EU has never been an easy task. The socio-economic price for this step is being paid right up to this day.. The recent, euro-sceptic turn in Polish politics is a good illustration of what were the costs of transformation in Poland. The macro-economic indicators showed permanent growth, while the rate of inequality and poverty grew. This led to the political alienation of a considerable part of society and the victory of the conservative Law and Justice Party. Similar trends of illiberal turns can be observed all over the EU. However, the cost of liberal reforms, and the marketization of social life have already been experienced in the Western Balkan states. The size of their economies does not allow them to develop any significant capitalization and the development of an industry that would be able to meet international competition. Companies like Newag, Solaris or Pesa, producing and selling trains, trams and buses all over Europe, from Norway to Greece, do not have the conditions to develop in Serbia, Croatia or Macedonia, simply because limited local demand would not permit them such expansion. Furthermore, the small size of the Balkan states and their separated markets do not provide any incentive for further integration within the EU. While economic integration with the Single European Market is progressing, full membership is not in interest of almost any of the Western countries. 60 million central European buyers had a much bigger market value than the 20 million Balkan consumers – firstly, potential

consumers among the Western Balkan population are smaller in number, secondly, their purchasing power is much lower.

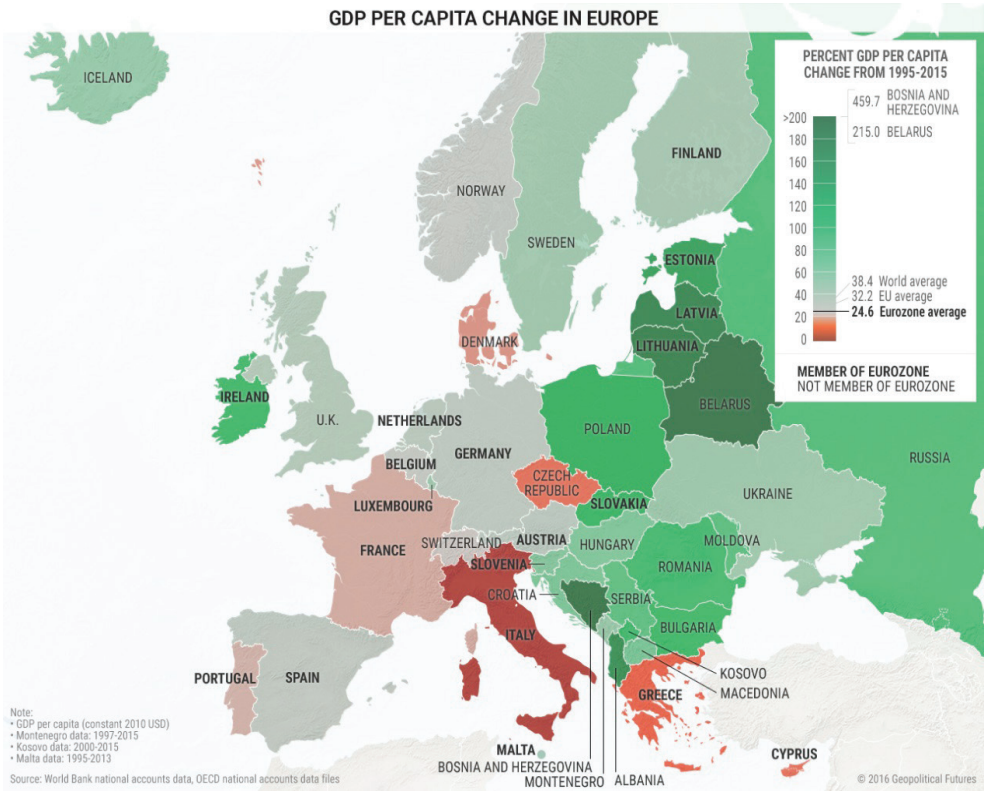
This disadvantaged situation places the Western Balkan states in a very different position in terms of the international division of labor. It will be very difficult, if not impossible to rebuild old industry and re-enter the market. The technologies have changed. Markets, once open for Yugoslav products and services have been either taken over by other competitors (Indonesia, India, sub-Saharan African states) or have ceased to exist altogether (Syria, Iraq, Libya). Therefore, it is crucial to focus on types of industry that would not require additional significant investments. It seems that this sort of industry is the IT branch of the economy. It is already developing very quickly in the Balkans. Interestingly, this sector is relatively independent from ruling elites. In case of a conflict or harassment from public officials or political elites, an IT company has relatively few items to pack and move to another country. The development of this branch could speed up the end of ethno-terror in Bosnia and Herzegovina or clientelism all over the region, since the employees would be less dependent on or even independent from the public sector, captured by the political elites.

Lesson 3. Is there enough space for everybody?

The traditional approach towards European integration assumes that all countries participating in such a project will benefit from it. And this is true, although only partially so. For the purpose of this chapter , we have divided the region of Europe analyzed here into four groups, that reflect the stage of advancement of the integration within the EU project. These are, the Group I countries - the "old" 15 states that belong to the EU. Next, the Group II countries are the "new" 10 states that joined the EU in 2004. After that is a small group (III) of three states, that due to their relatively low level of advancement in transformation and other issues, joined the EU later and on a little bit less favorable conditions. Finally the Group IV countries are made up of states that have been integrated within the EU economically, where the EU remains an important point of political and ideological reference, but which remain outside the EU and as such are recipients of the EU policies without almost any political influence and power. This concept is similar to the concentric circles suggested by Barry Buzan and Ole Wæver (2003). We should however explain the reasons behind such a hierarchy.

Firstly, we shall have a look at the map showing the dynamic of the GDP in Europe. It shows clearly that non-Western European states catch up with the core. That is presented by the map below:

Figure no. 1. *Change in GDP in Europe since 1995*



Source: GPF Geopolitical Futures

One should remember however that the starting point, 1995 used here as a point of reference, meant the lowest point in economic and social development for several decades. This is like comparing the current architecture of Europe with that of 1945.

In order to better understand the level of development of the four different groups of states and their economies we need to look at the same factor from another perspective. To compare the dynamic of GDP (valued in international current USD) we shall refer to data provided by the World Bank.

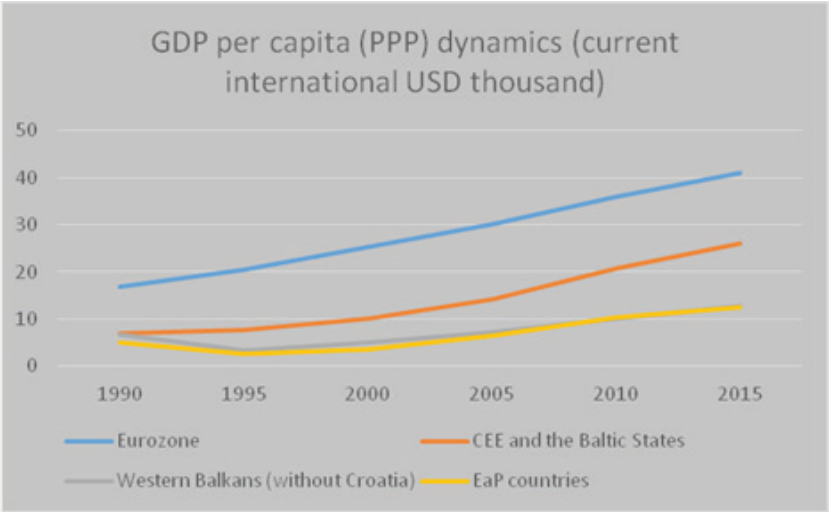


Figure No. 2. *GDP per capita dynamics*

Data after the World Bank (CEE and the Baltic States group comprise of Czech Republic, Slovenia, Slovakia, Hungary, Romania, Bulgaria, Croatia, Lithuania, Latvia, Estonia, but excludes Cyprus and Malta)

This diagram clearly shows that although the GDP of all the compared groups increased, the difference between them increased as well. In fact, the CEE and Baltic states quickly emerged as the middle players whilst groups III and IV improved only very insignificantly. All three groups were very badly affected by the socio-economic and political transformation period of the turn of the 1980s and 1990s. Especially peripheries in Eastern and Southeastern Europe which faced some of the most serious challenges that involved armed conflict and long lasting economic crisis. In fact, an increase in the GDP group IV can be noted thanks to the extraordinary success of the three authoritarian regimes in Azerbaijan, Belarus and Turkey, that cannot be connoted with EU sponsored reforms of free market, political pluralism, and rule of law.

Consequently, European integration is accompanied by development of an unequal character. What is neglected or ignored in the studies on European integration, is that free market capitalism, which is one of the foundations of the European project, produces inequalities. This fact leads us towards the conclusion that there might not be enough cake at the European table to share equally with everyone. Secondly, the larger shares enjoyed by the old EU members are often acquired at the expense of new members and the associated peripheral countries. Thirdly, the CEE took over the position of the Yugoslav semi-periphery. It means that we are competitors in this specific system of international division of labor rather than partners.

Conclusions

The European integration processes are the most powerful incentives behind international relations in Europe. These have provided the new member states with new opportunities for development and political and economic integration with a stable and safe Western core. Political realism leads us towards the general conclusion that there is no alternative to these processes have and that the only path is for the Balkans to continue their integration with the EU. However, the open question remains why, despite the gradual integration of the Western Balkan states with the Union, the socio-economic situation still remains appealing?

The answer to this question is partially based on the fact that membership is only a distant perspective. On the other hand full economic integration bears significant social costs that lead towards political destabilization, further economic decline and additional social costs. As indicated by Professor Dragoljub Stojanov from the University of Rijeka, there is no single example of a weaker economy joining other, stronger market that would over-time change from a peripheral to a core country. In other words it is more than likely that the weaker state joining the stronger will remain in its peripheral or semi-peripheral position. It could improve its situation in absolute, but not in relative terms. It has been visible in Poland, once the wonder-story of the European integration had been achieved. The Polish case indicates also potential forthcoming problems to the region of South-Eastern Europe. The size of the Balkan states, as well as the international division of labor does not support the vision of economic success, that would be based simply on the fact of the accession of Macedonia, Serbia or Bosnia to the EU.

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On the Periphery: The Balkans in Contemporary Russian History

James C. Pearce

Abstract

This chapter analyses the portrayal of the Balkans in contemporary Russian history and its impact on Russia's relationship in the region. There have been attempts to create a unifying European history to promote peace, security and a wider European identity since the collapse of communism in Europe. However, the Russian state has been cast unfavorably in the new Eastern European histories. This has caused friction in foreign affairs and seen attacks on the Russian historical narrative. By contrast, the idea of liberation in the late nineteenth and early twentieth century is important where the Balkans are concerned. School textbooks were used as a vehicle for championing a new European history, and the theme of liberation is key in the Russian historical discourse. This makes them an ideal medium through which to assess Russia's narrative and a relationship, which could be consequential.

Key words: Europe, history, liberation, narrative, Russia, textbook.

Introduction

Since the fall of communism in Europe, three competing narratives of European history have emerged: Western, Eastern and Russian/Soviet (Torbakhov, 2011). Each has its own peculiarities and are united them by their 'othering' of competing narratives. While this may seem obvious, steps were taken to try to avoid this scenario. What Russia and the nations of Eastern Europe (where the Balkans' histories fall under) share is the way its new histories were constructed post 1991. This coincided with political and economic transformations in each country. Eleftherios Klerides labels this as a 'return to Europe' (Klerides, 2014). This return aimed to champion a common European history, which would foster integration, greater co-operation and reject nationalism. Both Russia and Eastern Europe (the Balkans included) feel their histories have been disregarded and dismissed by the West. The Western version of European history became the dominant one, after all. Historically a region where the Western, Russian and Muslim civilizations collide, the Balkans' depiction in Russia's new national history reflects these frictions and issues with constructing a 'unified European history'. While not an immediate threat, the Balkans also show a potential vulnerability for the Russian state; despite a considerable influence in the region, it does not always have the upper hand. This paper considers the portrayal of the Balkans in the Russian historical discourse as this defines Russia's relationship with the region. In order to see how the narrative of the Balkans formed in the new Russia, it is necessary to choose an ideal medium to analyze. To cover the full spectrum of historical narratives through different mediums would naturally take several volumes. This paper focuses on the late nineteenth and early twentieth century as these reflect a core element of the Balkans' portrayal. The Balkans do not feature hugely in historical commemorations in modern Russia, but the exceptions are the two world wars and Russo-Turkish War 1877-78. Both of which are hugely significant to the Russian state and represent key traits of its new historical narrative. It is in school textbooks where a concrete and telling narrative exists of the late nineteenth and early twentieth century. Furthermore, in the construction of a 'European' history post 1991, school history textbooks were viewed as a key instrument for this task. For this study, it makes them the most ideal medium.

Many of the historical battles surrounding the Balkans and Russia are now played upon in the expansion of spheres of influence. Russia feels a growing threat of encirclement with NATO's continued expansion and the prospect of EU membership. It is fair to say that the Russian state is still haunted by the Kosovo bombings of the 1990s and wants to uphold its historical affinity with countries it views as natural allies (Carnegie Centre, 2017). Meanwhile, the Western European powers fear Russia is trying to undermine the sovereignty of these independent states, disrupt their democratic processes and use it as a key sphere of influence. While the Balkan region as a whole is considered, there will be a particular focus on Serbia and Bulgaria. Historically, these are Russia's closest allies in the region, although recently the Republika Srpska has become of key importance (Rotaru & Troncota, 2017, p. 10). This

paper will briefly consider Moldova as well. While it is not regarded as a Balkan nation, it receives a similar treatment.

Constructing the 'New European' Histories

As the political and economic systems of Eastern Europe changed simultaneously, integrating former communist nations into the European framework required a lot of external support for internal reforms and restructuring. Much of this came from the West, as establishing a new national history post communism had to integrate the new democracies into its own established order. History is often a driving force in the transition to democracy (Pridham, 2015). For the Balkans, Eastern Europe and Russia history was used to promote a common European identity because of mutual influences and long symbiosis in the region (Klerides, 2014, p. 16). The Council of Europe (COE) envisaged history as the medium through which democracy, democratic citizenship, stability and reconciliation were to be enacted. It also focused on the promotion of European unity, bias and prejudice eradication, and conflict management (Klerides, 2014, p. 19). Along with the Caucasus, the Balkans was an area identified as 'on the periphery of Europe', which could become a source of instability. The COE, therefore, noted that assistance should be provided to the newer member states in bringing their history education in tune with European norms (Council of Europe, 2002, p. 4). That is why history textbooks received special attention. Textbooks target members of civil society who will legitimize the new historical narrative and democratic process. A rejection of the new historical narrative can delegitimize the new state's claims to power.

The Balkans fall within the 'Eastern European' section of the new historical narratives. The Eastern European nations, the Balkans included, all have three distinct features. Firstly, it is painted in largely dark and bloody tones, as lands constantly fought over where a lot of blood was spilled. Secondly, that this version has not been fully accepted or acknowledged by the West. Finally, there has been a tendency (with the notable exceptions of Belarus and Armenia) to cast Russia in a negative light (Torbakhov, 2011). Projecting a narrative of huge tragedies and victimhood whose histories were sucked up by Stalinism has created geopolitical frictions. Recent examples would be Soviet war memorials in Poland being defaced or removed following Crimea's reincorporation/annexation into the Russian Federation (Reuters, 2015). An updated law on decommunization stipulating the removal of monuments and memorials that pay "a tribute to the memory of people, organizations, events and dates that symbolize communism or other totalitarian regimes" entered into force in Poland in late 2017 (TASS, 2017). The Polish government snubbed Moscow's claims of any violations, however. The result is that instead of a unifying history of the twentieth century with Europe defeating Nazism, two different accounts emerge essentially forcing countries to choose sides. As will be explored below, while Poland does not accept the liberation narrative, much of the Balkans do.

Russia felt somewhat left out in the post communism reconstruction. Compared to post war Germany for instance, Russia was not given the same assistance in rebuilding and establishing democratic institutions (Sherlock, 2007, p. 10). For the West, the consolidation of a democratic Russia meant having Boris Yeltsin as its leader. It was Yeltsin, however, who suggested replacing NATO with the OSCE (Galbreath, 2007). Yeltsin viewed the OSCE as a more auspicious channel of unifying the European continent to tackle its shared challenges. More importantly, however, as one that would take Russia's national interests more seriously. The past century of Russian history alone showed that it would be difficult for Russia to lock into democratic practices. Unlike some former communist nations, Russia had established state traditions and a history of independence stretching back a thousand years. Thus, it was not nation building from scratch, rather reconstructing from the ruins. However, the fundamental 'who are we?' question lingered. Russia had no democratic legacy apart from the short-lived and chaotic Provisional Government 1917. The Russian people had never lived in a democracy and its borders had shrunk significantly. For countries such as Czechia and Estonia, it was easier to align with the West since they could locate a democratic past as a model for development. The Russian Federation would operate in an alien liberal democratic framework that ignored the reality of the situation it faced. Moreover, it would have to retell the imperial and Soviet history in a new language, free of ideology that its population could legitimize. In so doing, the Russian state would also have to identify its friends and foes in the national history to assert its own historic identity. The gradual expansion of NATO, war in Kosovo and the Color Revolutions would drive a wedge between Russia, the West and certain Eastern European countries, pushing them further apart. All of which, affected the telling and retelling of history as well as Russia's relationship with the outside world. This has, in many ways, defined the leadership of President Vladimir Putin.

The Russian version of twentieth century European history focuses largely on the defeat of Nazi Germany and the Cold War. This means that the new school textbooks must also explain why the USSR collapsed and place Stalin into a wider historical framework. By contrast, other former communist nations can (and do) accuse Moscow of military occupation and hostilities. At the European Histories conference Vilnius 2009, an agreement was reached to incorporate the totalitarian experience into European history, but no framework for doing so was established (COE, 2009). As such, the countries of Eastern Europe are able to continue casting Russia unfavorably. By contrast, the Russian government has labelled this a 'perverse habit', and takes particular offense when Stalinism is also labelled as an equal cause for the Second World War (European Parliament, 2009; RT, 2018). This is significant because while the Russian Federation is the legal successor state to the USSR, it does not accept any responsibility for the crimes it committed or violations of international law (Ekho Moskvy, 2010). Initially, this was part of Yeltsin's attempt to distance his new Russia from the USSR. For Putin, this is about maintaining historical continuity as a sign of sovereignty. Of course, the USSR ended, but its people carried over into the new system. As de Tocqueville once asserted:

> They took over from the old order not only most of its customs, conventions, and modes of thought, but even those ideas which prompted our revolutionaries to destroy it; that, in fact, though nothing was further from their intentions, they used the debris of the old order for building up the new (de Tocquville, 1955).

While he was writing about the French revolution, it is also applicable to Russia after the Soviet collapse. The education system is a prime example here. Although the Russian Federation is signed up to many of the COE's education reforms, they have mostly impacted the examinations. The education system still functions in the mold of the Soviet structure (Sanina, 2017). Moreover, the Russian state and population alike seem to be satisfied with this. Historical pedagogy in secondary schools is centered on the 'traditional' norms and practices, and has become more focused on instilling patriotic fervor (Obrazovatel'niy standart osnovnogo obshestvo obrazovaniya istoriya, n.d.). This follows the lines of Soviet citizen education (Lunarchosky, 1925) and M.V. Lomonosov (1991) who were the two previous biggest influences of Russian historical education. As well as the four patriotic education programs, contemporary textbooks are starting to reflect 'preferred' images of the past instead of European unity. These are free of ideology meanwhile treating readers as members of a nation and passive (Apple, 2004). This is also, why the Russian state considers some European education reforms to be conflicting with its sovereignty. The main argument being that nations should be able to construct their own histories free of external influences.

Initially, President Putin approached the West pragmatically to establish a mutually beneficial relationship. As such, the history in recent years has become more reactionary and assertive as order and stability were restored (Pearce, 2017). In fact, a somewhat unprecedented situation, history is written into Russia's Doctrine of National Security and many laws exist to protect it from falsifications or attacks (National Security Doctrine of the Russian Federation, 2009). In more recent years there has been a growing fear that other nations are trying to rob Russia of its victory in the Second World War. Not only Poland, but also Soviet era monuments in Ukraine have been repeatedly defaced with little to no condemnation from international organizations. On the other hand, there are legitimate questions surrounding the legacy of Stalin and Stalinism. Western and Eastern European nations often do not accept Russian versions of the period. Criticisms are that certain school textbooks for instance try to 'normalize' the period and gloss over the terror (Zubkova, 2009, p.862). In the West, equating the USSR with Stalin seems obvious, whereas in Russia this is not so simplistic. Nevertheless, any narrative that does not condemn the Stalin era provides ammunition to attack Russia's backtracking from democracy. These laws combined with the new school textbooks are more symbolic of history's status in contemporary Russia than anything else is. History is above politics or anything 'human', and in this regard, is untouchable. As such, history has a special place that explains why things are and the way they 'ought to' be (Shelley & Winck, 1995). It is, therefore, hardly surprising that there have been campaigns to protect the 'glorious' episodes of Russian history (namely the Great Patriotic War).

Integrating the competing narratives is a necessary task. Not just to achieve the COE's goals, but also for European security and co-operation as a whole. This would promote the values of tolerance and peaceful co-existence. Moreover, Eastern European history is designed to include Russia (and vice versa). Negative portrayals naturally spill over into foreign policy disputes. The current geopolitical situation makes a better relationship all but impossible for the near future, and from Russia's side, this is perceived as competition and a security threat. In this regard, using history for reconciliation in Europe has had limited success. Whilst every former communist nations experienced the politicization of history when democracy was introduced, Russia's narrative is morphing into a legitimization tool for the state to explain Russia's uniqueness and justify the modern situation. Where the Balkans are concerned, history is used present Russia as a viable alternative to the West.

Russia, the Balkans and the Historical Discourse in Geopolitics

The countries of Eastern Europe tend to be lumped together in Russian and Western histories. What sets the Balkans apart in the Russian historical discourse is the concept of 'Slavic Brotherhood'. For centuries, this has been used to maintain stronghold in the region. A shared history is a subtler yet equally effective soft power tool that has powerful connotations in other Orthodox Christian countries. The presumable goal is to loosen these countries' connection to the EU and present Russia and an alternative to the 'decadent West', thus fulfilling its messianic role. This is visible on Russian federal television channels and has been discussed in recent literature (Bacon, 2017; Kelly, 2017). However, the historical, cultural and religious ties are championed to show that a stronger unity with this region is more natural than the West. Not just with Serbia and Bulgaria, but in 2015 for example, the Greek President Tsipras' meeting with Putin in Moscow sent chills down through the EU, as many feared he would ask Moscow for financial aid and align closer with Russia (BBC, 2015). This was not inconceivable, as Russia and Greece do share many historical, religious and cultural ties.

Like the former USSR, Russia can invoke a shared history with many of the Balkan countries. There are also Russian language channels and or newspapers in Serbia, Bulgaria, Montenegro and to a lesser extent, Macedonia. More recently, the Russian state has financed antigovernment groups as a way of exerting its influence. Most notable are the Cossack Centres in Serbia, RepublikaSrpska, Macedonia, Greece, Bulgaria and Montenegro. The opening ceremony in Kotor was attended by the biker gang 'Night Wolves'; a group close to the Russian President (Rotaru & Troncota, 2017, p. 11).

Serbia has been Russia's longest and most natural ally in the Balkans. This is a key feature in the historical discourse, particularly surrounding both world wars. During the Cold War, Yugoslavia cooperated with both the East and West. Serbia has largely continued this 'neutral' policy, walking a careful line between Russia and the West in recent years (Rastovic, 2017). In 2015, Serbia's president, Tomislav Nikolic, was one of few European leaders to attend

Moscow's Victory Day Parade commemorating seventy years since the victory in the Great Patriotic War. (Macedonia's president, Gjorge Ivanov, was also in attendance.) A Serbian army regiment also took part in the parade. Many Serbs remember it was the Soviet Union, not Western Europe, who came to their defense during the Nazi occupation. Indeed, sanctions against Serbia's former liberator have been a tough sell by the EU. Putin's popularity in Serbia has drastically risen in recent years. Serbian media is quite Russian-friendly and one village even changed its name to 'Putinovo' after the Russian president (The Economist, 2016). In Montenegro, this was also the case until recently. After it joined NATO, the Russian Foreign Minister, Sergei Lavrov, claimed that Russia now reserved the right to take retaliatory measures (Reuters, 2017). There has since been vocal support of pro-Russian parties and candidates, as the move towards Western organizations is perceived as a historical betrayal. With that being said, the most recent polls show that only 6% of Russians view Serbia as an ally, whereas Montenegro did not even make the list (Levada, 2016).

Russia and Bulgaria were closely aligned during the Cold War, but fought against each other in both world wars. Powerful symbolic references to the 1877-78 war of liberation have underwritten Putin's visits to Sofia. It is commemorated in national holidays, street names and monuments. In 2005, for instance, a statue to Aleksandr II was erected outside Moscow's Christ the Savior Cathedral, which references the role he played in liberating Bulgaria from the Ottoman Empire. Another monument to the war 1877-78 sits just outside the presidential administration building on Kitai Gorod, as well. The Moscow Patriarch, Kirill was sure to visit Bulgaria in 2018 to mark its 140th anniversary (TASS, 2018). During this visit, Kirill commented on the 'falsifications' of the war by Bulgarian politicians:

> I was very aggrieved by the fact that, according to (Bulgarian) state representatives' official rhetoric, Poland, Lithuania and Finland had played almost the same role as Russia… every warrior who fought in the Russian army under Tsar Alexander II's flag and died for Bulgarian freedom, regardless of his nationality… No political correctness can justify a false historical interpretation. (Reuters, 2018).

However, Bulgaria was also low down on the list of nations that Russians consider 'friends', at just 4% (Levada, 2016). Though it has never peaked above 10% (which is interestingly higher than Serbia; 8%), the recent relationship has been somewhat frosty. Russians were quick to invoke the legacy of the Great Patriotic War when the South Stream project was cancelled. For his part, President Putin blasted the EU and NATO for not allowing Bulgaria to behave as a sovereign country (BBC News, 2014). Russian news media quickly followed in their strong criticisms (Rossiskaya Gazeta, 2014) whilst the Russian blogosphere burst out 'Bulgaria has betrayed us once more as in the First and Second World War' (Lankina, 2014). The Soviet involvement in Bulgaria after 1944 remains controversial, however, and tends to slip off the

radar in comparison to Katyn or the invasion of the Baltic States. Although, as will be explored below, the Russian state considers the latter to be a lawful incorporation and not an invasion.

Developing the theme of 'liberation' further, it is a consistent one with these Balkans' countries throughout Russian history. University courses, which study nineteenth century European history, focus on the Balkan nations' "struggle for independence" against the Ottomans (Vladimir State University Rabochnaya Programma Distsipliny Novaya Istoriya Stran Evropy i Amerika 1870-1918gg, 2017). The leadership continues to play upon the liberation aspect, as well. In the centennial year (2014) of the outbreak of the First World War, the Russian government had to finally come up with a Russian narrative of events; specifically, it had to explain why Russia did not have a victory. The First World War had been written out of history during the Soviet period, dismissed as a bourgeois imperialist war. The speech President Putin gave when unveiling the monument to the heroes of the First World War on Poklannaya Gora could not but mention Russia's alliance with Serbia. Putin remarked that Russia was 'obliged' to enter and that

> Russia did everything it could to convince Europe to find a peaceful and bloodless solution to the conflict between Serbia and Austro-Hungary. But Russia's calls went unheeded and our country had no choice but to rise to the challenge, defend a brotherly Slavic people and protect our own country and people from the foreign threat. (Putin, 2014).

Dmitry Medvedev mirrored this five years earlier when he established a law against the 'falsifications of history'. Medvedev stated that any country defending itself cannot be considered an aggressor (Medvedev, 2009). Understandably, the theme of liberation is of special importance to the Great Patriotic War. After all, Soviet troops liberated Auschwitz.

The Balkans in Russian School Textbooks

A handful of the 2015 textbooks were selected for analysis, which were a publishing initiative of the Russian government. All of these reflect similar tendencies. Like in most countries, the Russian school curriculum separates world and Russian history into different classes; universities generally do the same. These have different textbooks and are taught separately. In order to understand the Russian view of the Balkans, one should consider its portrayal in Russian history lessons as opposed to world history. World history, as the name implies, does not only study other countries, but is taught and portrayed in a much broader, non-homogenous context. Moreover, most of the attention and reforms to school history textbooks concern the narratives in Russian history textbooks. As alluded to above, the focus of pedagogical reforms is designed to impact Russian history lessons.

To expand on the above assessments, Russian school textbooks solely focus on Russian liberations of the region. This includes liberations from the Ottomans, Fascism and other

European imperial powers such as Austria-Hungary (Gorinov, 2016). Compared with other nations, the Balkans feature sparingly and modestly. Moreover, the region commonly comes up in the context of diplomacy and alliances. The Balkans feature most prominently in the more significant historical events, such as the two world wars. While the background to these is provided, specific mentions of the Balkans are quite concise. When these references begin to emerge, there is a particular emphasis on Serbia and Bulgaria.

Following the same line of President Putin, the narrative in school textbooks of the First World War tells of a peacefully minded Russia who had to defend Serbia. Austria and Germany are equally blamed for the outbreak of war. The wording of one textbook in particular is quite interesting: 'Austria-Hungary *blamed* the assassination of Arch Duke Franz Ferdinand on *Serbia*' (Volobuev, 2015, p.8). The implication here is that the blame is placed not on the terrorist Black Hand Gang, but Serbia as a whole. The textbooks all note the patriotic feeling the war generated among Russian society (Kiselev, 2012, p.33). Fighting to defend Serbia and prevent Germanic domination of the European continent is considered a good cause, and therefore, the reason a military conflict became unavoidable. However, there are no noteworthy mentions of the Balkans during the conflict. During the interwar period, the Balkans completely disappear. This could be partly due to no diplomatic relations between the USSR and Yugoslavia between 1917 and 1940. In other words, to even consider this would undermine the more significant narrative of this special relationship.

The Molotov Ribbentrop Pact is important to understanding the contemporary Russian view of Eastern Europe as a whole. It is a stain on the diplomatic history of the Russian state and undermines the message of a heroic victory. The blame is placed fully onto Germany and Hitler personally. As one of the more recent textbooks writes, 'Hitler decided the spheres of influence' (Torkunova, p. 172). Another states that 'Germany initiated it'. This also aids the justification for the incorporation of Moldova into the USSR. Writing that 'Bessarabia became a part of Romania' suggests this was an unnatural or abnormal incorporation (Volobuev, p. 139). This is significant because of the important military victories against Sweden and the Ottomans fought in modern Moldova. Many of these battles were led and fought by national hero, Aleksandr Suvorov. To imply that Moldova was unlawfully annexed discredits the legacy of Suvorov and his victories. As the modern Russian state detaches itself from responsibility for the Molotov-Ribbentrop pact, denying responsibility for the dividing of territories complements the liberation narrative of the Great Patriotic War. Then again, most textbooks also dedicate barely a paragraph to the liberation of the Balkans during the Great Patriotic War. The Soviet army also defeated the Nazis in Romania during the Great Patriotic War, but this receives just a few lines in each of the textbooks. When the liberations are discussed, they are told in a timeline like fashion (Kiselev, 2012), as is each victory during the Great Patriotic War. One of the more popular textbooks (Dannilov, 2013), dedicates slightly less than a paragraph. Bulgaria gets a paragraph and as an 'ally of Germany', is painted as a greater

struggle to overcome. This is also the case with the former Yugoslavia, which is surprisingly given only a passing mention in virtually all of the textbooks. Then again, this falls within the wider context of the build up to an eventual stunning victory over fascism in Europe. The Soviet involvement after the liberation is not mentioned within the context of the war, and all casually transition into the interwar period.

The issues discussed in each history textbook surrounding the relationship with the Balkans are prevalent today. Thus, one can conclude the historical discourse is the backdrop, and in many respects, the key legitimization for today's relationship between Russia and the Balkans. The cultural, religious and historical ties are far easier to exploit than with many other Eastern European nations. The textbooks do buck a certain trend, and unlike periods in Russian history (namely the revolutions of 1917), there is a broad consensus over the Balkans. This is unlikely to change and it is an important political card to have in the state's arsenal. This, therefore, begs the question why is it not exploited more?

Conclusion: Perspectives for the Future

The Balkans is on the periphery of Russia's foreign policy priorities and remains a frontier where it competes for influence against the West. Consequently, the Balkans is on the periphery of Russia's historical discourse, as well. A region which has often been the staging grounds for a 'clash of civilizations', the modern geopolitical situation is mirrored in Russia's historical discourse. Serbia is still inside of Russia's sphere of influence and provides a buffer in the Balkans. The Russian leadership routinely states the importance of its Slavic brother and their close relationship as a way of diverting the growing attention on the West. The underlying message of this is that the Russian state is unwilling to back down from its interests in the Balkans. The West also treats Moldova as a Russian buffer zone to Europe and the Balkans alike, which is certainly an interesting comparison (RFERL, 2012). While Moldova is not usually included in any Balkans' definitions, its portrayal in the historical narrative reflects the same arguments. On the other side, Bulgaria is an access point for Russia into the EU, and represents a different sort of periphery.

Among the recent rise of populism, 'Brexit' has bought the future of the EU into question as it experiences an 'expansion fatigue' in Eastern Europe. This allows the Russian state to use history to present itself as an attractive alternative in the Balkans. This has seen some success. The political leaders of most Balkan countries are openly empathetic to Putin in different ways. Likewise, Russia feels that it has an emotional (and historic right to intervene in the domestic affairs of certain nations). However, increasing attractiveness in this region is becoming much harder, as it is pulled ever closer to the EU and NATO. An important access point, Russia is highly unlikely to remain silent over the direction the Balkans nations take. Public opinion is likely to have a forceful impact in this regard. Although there is sympathy toward Russia's allies in the region, there is also a lack of active interest amongst the Russian

population. In the aforementioned Levada poll, the only other Balkan nations to receive mention were Greece and Romania. Just 4% of Russians viewed Greece as an ally in 2016, whereas 2% considered Romania an enemy (Levada, 2016). In other words, if the state could gain more support in this region, it may allocate greater attention and resources. Such a situation could see the Balkans become 'proxy area' and this scenario would be bad for the European continent as a whole. In Russia, it would feel almost like a betrayal if certain Balkan nations become deeply entrenched into the Western alliances, which is another reason why the historical narrative is so protected. A move closer to the West could make the region even more unstable in the long term as Russia would continue to feel surrounded. As with Ukraine, it may be wise to consider that the region should remain militarily neutral for a generation (Al Jazeera, 2015). This is not to say a sovereign country should not have a right to choose its own allies and trade relationships. As other papers in this volume discuss, the Berlin Process is underway (albeit, with limited success). Yet, an explosion of history in a country like Serbia could lead to a Ukrainian scenario in the Balkans with the potential to develop into a larger conflict. As history shows, both Russia and the West should be keen to avoid this happening again.

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The Balkan Playground: Eastern "Soft" Power Coming, Western Not Leaving

Stevo Pendarovski

Abstract

Since 1990, when the American political scientist Joseph Nye elaborated the term of soft power for the first time (Nye, 1990), the concept has been hailed, criticized or neglected, but, in due time positioned itself as crucial component of a country's foreign policy. Consecutive US administrations were the leading actor in the field, alongside the European Union with its gravity model of democratization (Emerson & Nouncheva, 2004). When it comes to applying soft power, the Russian Federation is a latecomer, regardless of the long, ideology-based record of its predecessor, the USSR. During the political, economic and financial crises of the past decade, the European Union was absorbed by internal deliberations, while the United States reoriented itself towards Asia. The freshly opened strategic vacuum in the Balkans was exploited by Moscow which approached the region with its own version of soft power, combined with political propaganda. However, after the annexation of Crimea in 2014 and the proxy war in Ukraine, the Western Alliance (US and EU) returned to the Balkans with the aim of repositioning itself by confronting Russian influence. It could be argued that despite perceptions created in some sections of the western media, the redoubled Russian efforts in the Balkans have not succeeded in deposing the West from dominating the region. In the years ahead, Russia, most likely, will achieve little more than being seen as an obstructionist force, while the West will remain in the driving seat relying on its vast and diversified reservoir of soft power.

Keywords*:* soft power, propaganda, Western alliance, Russia, the Balkans, democratic values.

Introduction

At the beginning of the 21st century, in the words of Brzezinski (cited in Nye, 2004), Joseph Nye offered a substantial contribution to the understanding of international relations by expanding the concept of soft power he invented in 1990. In his book, Nye convincingly argued that it took decades to realize that power might come in many guises and that soft power is a form of power. As hard power rests on coercion, soft power or the ability to shape the attitudes of others rests on the attractiveness of one's culture or values (Nye, 2004, pp. 7-11). The soft power of states and organizations depends primarily on three resources: their cultural and political values and their foreign policies which have to be seen as legitimate in order to have moral impact and authority (Nye, 2004, p. 11).

Long before the concept of soft power was introduced in the dictionary of international politics; it was alive and applied by various actors during the bipolar world of the Cold War. It is safe to say, that in the end, the United States won the Cold war not only because it had been the strongest in military or economic terms, but also, because it prevailed in the third dimension - soft power (Nye, 2004, p. 12).

This is far from concluding that hard power is irreversibly archived in the museums of history. In applying soft power the gravest mistake would be to regard it as a panacea for all problems, or as a replacement for hard power (Nielsen, 2013, p. 727). The interplay between soft and hard power is still frequently required in many different political contexts, but, with wars and conflicts increasingly viewed as being unacceptable by the general public, influence in the modern information age will depend on soft power tools more than ever.

In the next sections we will analyze, in general, the understanding, applicability, and reservoirs of soft power of two parts of the Western alliance (the US and EU) and of the Russian Federation, and their specific potential to project influence in the Balkans.

Western Soft Power: the EU and US Capabilities and Prospects

Since its inception in 1957, and, especially after the signing of the Maastricht Treaty in 1992, the European Union's soft power was central to its self-identification (Vogel, 2018, p. 2). Former Commissioner for External Relations, Chris Patten once even described EU soft power as a "weapon of mass attraction" (Nielsen, 2013, p. 730). At the end of the Cold War almost all former communist countries declared joining the EU as their strategic goal and all were ready to go through the challenging negotiation process in order to become part of the organization (Nye, 2004, p. 80). Alongside its attractive culture, and political and economic systems at home, EU soft power stems from its foreign policy position on human rights, international law, global warming, massive participation in peacekeeping operations and oversees development assistance to countries in need (Nye, 2004, p. 83).

A Specific aspect of European soft power is that the most affluent members of the European Union have considerable soft power resources at a national level, whilst the organization, as such, possesses its own as well . The first global index for measuring soft power for three years in a row confirms that six members of the EU: France, UK, Germany, Sweden, the Netherlands and Denmark are among the top 10 performers in the world (USC, 2017, pp. 40-41). The "big three" in the EU - France, the UK and Germany have, for years been among the top five in the Nation Brands Index (GFK, 2017), which should not came as a surprise because their systematic promotional activities date back to the 19th century (Davis & Melissen, 2013, p. 13). Comparing some aspects of soft power, France, the United Kingdom, Germany and Italy, taken individually, outrank many other nations when counting the number of Nobel Prize winners, the number of foreign tourists, applications for political asylum, Internet websites hosts or a higher life expectancy (USC, 2017, pp. 40-41).

Speaking of the European Union as a whole, the organization's public diplomacy branch is a complex and massive channel for disseminating the values of the organization to at least 164 national missions and 36 international organizations accredited at its headquarter in Brussels (Davis & Melissen, 2013, p. 115). Apart from this , through the European External Action Service's delegations and missions in 140 countries, the EU promotes its soft power in several priority areas: as a development donor and facilitator of democratic transitions; through trade as an engine of change; as a promoter of human rights and as a security provider (Davis & Melissen, 2013, p. 125). Also, the EU is a leading supporter of the UN Millennium Development Goals and International Criminal Court which started as a private initiative, but is already officially supported by 123 countries (Nielsen, 2013, pp. 734-735). To summarize: when in 2012 the EU was awarded the Nobel Peace Prize, it was, in essence, the Nobel Prize for its own soft power.

On the down side, several trends have challenged the basic patterns of the European architecture and have damaged the soft power of the EU as an entity: the Eurozone crises in 2011; the Greek debt and refugee crises in 2015, and Brexit in 2016, not to mention the long-standing systemic fault lines, like (the) North-South divide or the surge of far-right, far-left and populist parties (Patalakh, 2017, p. 149).

Long before the US was known as a birth place of the concept, Washington was a dominant actor in information warfare during the bipolar world. Radio Free Europe was widely regarded as the most visible and efficient propaganda tool of the Trans-Atlantic Alliance for not only disseminating news, but also Western values (Puddington, 2000). However, it was only after the dissolution of the USSR that: "American liberalism had [an] unparalleled appeal around the world" (Li, 2018). Basic features of the American political system were widely copied in virtually all former communist states, while American political scientists boasted of the "end of history", with liberal democracy as an end point of the political processes. In the period 1980-2010, the number of liberal democracies, as defined by Freedom House, grew for

approximately 50 per cent, and the number of free market economies, as ranked by Heritage Foundation, almost doubled in the same period (Li, 2018).

Despite its global reach and "impressive results", the soft power of the United States significantly declined in 2003, in the aftermath of the Iraq war when polls confirmed that, on average, support for the US fell to 30 per cent even among its European allies (Nye, 2004, p. 44). Brzezinski said that due to the unnecessary Iraq war: "we have unfortunately delegitimized ourselves" (Brzezinski, 2012). According to the Pew Research Centre, favorable opinion about the USA on the global level is constantly in decline (Pew Research Centre, 2017). Anti-Americanism is persistently on the rise and as Luce observes: "condemnations of the US are becoming a routine" (Luce, 2018) which is not beneficial for executing the soft power capabilities of the United States. The current administration in Washington, with its official policy of "America First" is not bolstering the image of a soft power empire, but, on the contrary, is "alienating the allies and weakening links with the world" (USC, 2017, p. 11).

Russian Soft Power

Ever since the triumph of the first communist revolution, Russia as part of the USSR has possessed a significant amount of soft power leverage. At the time, it was perceived as the bearer of an ideology which aimed for a balanced distribution of resources and a morally just political community. Being on the victorious side of the Second World War, significantly boosted the positive image of the country and obscured the scale of massive breaches of human rights largely unknown outside the Kremlin walls. Nevertheless, Soviet soft power suffered serious blows after the invasions of Hungary in 1956, Czechoslovakia in 1968 and the repression in Poland in 1980. In the last two decades of its existence, the inner nature of the Soviet system started slowly, but surely to rise to the surface with socialist values not being potent enough to inspire its own citizens, let alone those of other nations.

During the Gorbachev period, the country briefly recovered some of its international standing and popularity, but, that period was cut short by the dissolution of the USSR (Nye, 2004, p. 78). Interestingly, when the concept of soft power was for the first time theorized, it gained little traction in Moscow and the first book by Nye on the subject, *Bound to Lead* was not even translated into Russian. Several factors contributed to that end, but, the key factor was the Russian tradition and historic tendency to associate power with its military component. Real interest in the new concept came to the fore only after the so-called color revolutions in Georgia in 2003 and in Ukraine in 2004 penetrated into the strategic Russian interest in their "near abroad" (Herpen, 2016).

After the fall of communism, on the institutional side, the concept of soft power was first introduced during Putin's second term as President 2004-2008, when the initiative "Russian World" targeted Russian speakers in the former republics of the USSR. But, on the level of

official documents, soft power capabilities were identified for the first time in 2013, in the document entitled "Foreign Policy Concept" (Sergunin & Karabeshkin, 2015, pp. 349-350).

Among the Russian political elite, there is a specific understanding of soft power which significantly differs from the original American version. According to Nye, power can be exercised in three ways – coercion, payment and attraction and only the last one is soft power. Given that their political initiatives at an international level rarely attract an audience, Russian politicians resort to coercion or to outright political propaganda in order to gain followers (Sergunin & Karabeshkin, 2015, p. 352). Moscow's instruments in the field are state controlled, without the involvement of the civic sector, contrary to what Nye suggested about "interaction between government and the NGO sector in the soft power domain" (Sergunin & Karabeshkin, 2015, p. 358). Russian soft power is dependent on national leaders, it draws on shared religious faith with foreign nations and often portrays itself as the staunch defender against the Ottoman Empire in the past and against American hegemony today (Galeotti, 2017, p. 5).

The central instrument of Russian soft power strategies is the media and the disinformation campaign of false or distorted news they spread (Galeotti, 2017). Specific "innovation" in this regard is made up of an army of Internet "trolls" who disseminate Kremlin talking points, stigmatize its critics or simply obstruct the online discussions (Galeotti, 2017, p. 6).

A very specific place in the projection of Russian soft power abroad is devoted to the Russian Orthodox Church. In the unusual cohabitation for the formally secular state, the spiritual pillar of the Russian nation and the state for the first time formalized their relationship in 2003, after the visit of the Patriarch Aleksey II to the Ministry of Foreign Affairs. On that occasion, a standing working group was established with representatives from both institutions and their "strategic sessions" were dedicated to "the planning of the Patriarch's international travels and evaluation of the ROC's activities in international organizations..." (Herpen, 2016).

In essence, the key target of Moscow's soft power is not to offer an alternative, but, to undermine the European Union in particular and Western values, and their soft power in general. According to the global index of soft power, the Russian Federation is at the bottom of the chart, placed 26th out of the 30 countries compared (USC, 2017, p. 41). A reasonable estimation of the global reach of its soft power is that Russia can achieve cultural predominance in the former republics of the USSR, and together with China - in Eurasia, probably at a level similar to the one the US enjoys in the Americas. However, the key precondition for such an outcome would be for the heavy-hand of Moscow to be pulled back, and, instead, the hand of commerce to be extended to these regions and states (Hill, 2006, p. 342).

In 2018 Russia scored well as host to the World Cup in football which has been correctly described as the first soft power success for the country in 30 years since Gorbachev's perestroika. Some hoped that this might be a turning point for Russia, but, realistically speaking, such a sudden switch to soft power is impossible for a country so long accustomed

to using hard power. Obviously, the annexation of Crimea, the war in eastern Ukraine, the Malaysia Airlines Flight 17 incident and the Skripal case are going to stay on the bilateral agenda between Russia and the West and will press heavily against Moscow's ambitions (Kolesnikov, 2018).

The Balkans: Clash between Western and Eastern Soft Powers

As Stephen Blank correctly observed five years ago, the Balkans remain one of the arenas of geo-political rivalry between the West and Russia, but, instead of armies, today's struggle involves competing political models: the liberal and post-nationalist model of the European Union as opposed to the authoritarian model of Moscow (Blank, 2013, p. 1). An official American position confirmed this in February 2015, when US Secretary of State Kerry testified before the US Senate Sub-Committee on Russian influence in Eastern Europe and said that countries like Serbia, Kosovo, Macedonia and Montenegro are "in the line of fire", much like Georgia or Moldova (Bechev, 2015, p. 1).

In the early 1990s, the United States mostly used hard power in an attempt to contain the negative effects provoked by the bloody dissolution of the former Yugoslavia. Its soft power, accompanied by that of the EU, appeared on the menu later on. For quite a long time, Western soft power was without peer in the Balkans because all regional countries were determined to join Euro-Atlantic integrations. Within that context, the most potent tool was the enlargement policy of two pivotal organizations of the Western Alliance. And, the result in expanding the euro-Atlantic zone of security and stability in post-communism was impressive. After the fall of the Berlin Wall, NATO accepted 13 former communist states from Eastern Europe, six of them from the Balkans; whilst, the EU integrated 11 former communist states, four of them from the Balkan region. Yet, after the failed attempt to adopt a Constitution for Europe, and the global financial crises, the European political elites started to question the dynamic of enlargement. The "enlargement fatigue" of Brussels was additionally strengthened by the unprecedented migrant crises and rise of nationalist and populist parties in Europe. All of the above have contributed in diminishing the attractiveness of the European project and the soft power of the West, in general.

The particular limitation of EU soft power on the Balkans is embodied in its old and widely known dichotomy, explained by Hill in 1993, as the "capabilities-expectation gap" (Nielsen, 2013, p. 724), in other words, the inability to enforce its policies when its soft power is denied. Well aware of this shortfall in the EU arsenal, many regional politicians have been readily substituting real reforms with political rhetoric about reforms.

In the meantime , a tendency that was largely not recognized by the West was incremental in the return of Russian diplomacy to the peninsula. According to some observers, Moscow was responding to what it perceived as being long-lasting, massive Western influences which were threatening its historic connections with Eastern Europe (Barber, 2015, p. 1). Foreign

Minister Lavrov offered a very unusual statement for this advance insisting that Russia's only aim was to counter "unprecedented measures to discredit Russian politics and distort the Russian image" (Barber, 2015, p. 3).

The Russian soft power strategy on the Balkans is based upon three tiers: first, a focus on "historical narratives of ethnic and religious solidarity", second, the promotion of its system of autocratic rule as being suitable for the young democracies, and third, and the most important, energy contracts and humanitarian aid (Barber, 2015, p. 1). In an attempt to promote its values, in the past decade Russia opened dozens of cultural centers throughout the Slavonic nations in the Balkans, including language learning services and educational programs, and hosting other cultural events. What is important to note is that the very content of Russian cultural and spiritual values could pose an obstacle for successfully penetrating the whole of the Balkans because many people in the region have a different ethnic and religious legacy from the Russian one.

In the energy field, in 2008, Russia bought 51 per cent of the Serbian oil monopoly as a last move in a string of energy acquisitions made that year in the Balkans. The deal was supposed to enable Moscow to send more natural gas to Europe, through the planned South Stream pipeline (Dempsey, 2008). The South Stream project was envisaged as a means of transporting Russian gas to Europe, by bypassing Ukraine, but, the European Commission, on the ground that the pipeline is in breach with EU competition rules, asked one of its member states in the Balkans, Bulgaria to suspend it (BBC, 2014). Although in the meantime, an alternative - the Turkish Stream is proceeding at a slow pace and its projected network and overall capacity is well below that of South Stream, the United States is nevertheless strongly against it, because, in the words of its Energy Secretary, Russia is trying to "solidify its control over the security and the stability of Central and Eastern Europe" (cited in Gotev, 2018).

The latrest tendency in the Balkan states, with the exception of Albania and the Federation of Bosnia and Herzegovina, is an upsurge of a cluster of diverse political parties which openly align themselves with Russian political and cultural values. In that camp, one can find social conservatives, socialists, nationalists, populists, militarists, but, their common denominator is their support of anti-Western sentiments (Barber, 2015, p. 4).

With regard to Russian propaganda, a principal problem of the US and the EU for a number of years has been underestimating the effects of a new phenomenon - fake news in social media and on digital platforms. By manipulating information, Russia aimed at interrupting the political decision-making and the legitimacy of Western societies. And, the Western response was partially passive, partially reactive (Hegedus, 2015). Major changes in this policy approach happened only after 2016 with the Brexit referendum, and the meddling of Moscow in the US presidential elections. The crucial challenge was to explain the difference between the support of Washington and Brussels for democracy abroad and Russian propaganda, as they share a "similar pattern and policy toolkits" (Hegedus, 2015). And as always, the best possible answer to political propaganda is - telling the truth.

Conclusions

Some experts (*cf*. Li, 2018) claim that the era of soft power is gradually giving way to hard power platforms, as countries are allegedly more prone to applying the latter. The Russian annexation of Crimea and its military incursions in Syria; along with North Korea's ongoing nuclear program; and the deployment of national armies against migrants from the Middle East and North Africa are the latest examples of this. Two crucial arguments for preferring this twist of strategies are: the negative results of the Western project for "exporting democracy"; and second, the awareness of states that by only using soft power, it is impossible to realize the whole spectrum of national interests in the 21st century, when geopolitics is back on the agenda. As a matter of fact, for the latter, even the creator of the concept never ever assigned that type of potential to soft power instruments (Li, 2018).

A realistic assessment of the clash between the Western and Eastern narratives on the Balkans will display the dominance of the former and the reduced role of the latter to the status of being a "spoiler", because it offers no viable option in the long run (Morelli, 2018). When speaking about democratic deviations in the region, Bechev is right in arguing that "dysfunctional democracies and authoritarian policies are, on the whole, homegrown ills, and not a sinister plot by Moscow" (cited in Morelli, 2017).

Most of the Western media narrative in recent years has exaggerated the effects of the Russian propaganda machine (Junes, 2017). In his book on Russian influence in Southeast Europe, Bechev correctly observed that various polls in the region confirmed that "favorable opinions of Russia are on the increase, but that western-centric attitudes are still more entrenched and western popular culture ...serves as the main reference point for the overall majority of people in the region" (cited in Junes, 2017). It is also true that Russian inroads into the Balkan realm served as a justification for western governments to intensify their support for the resistance of civic movements against regional autocrats.

Speaking about the strategic goals of the regional countries, the prospects of the EU and NATO membership remain strong, compared to the oppositional offerings of the eastern competitor (Patalakh, 2017, p. 148). Despite the Russian foreign-policy goal of stopping regional countries from joining NATO and the EU, Montenegro cut off its political and business ties with Moscow and was immediately absorbed into the Alliance in 2017. Additionally, the country is the regional front runner in negotiations with the EU. In 2018, Macedonia resolved its long standing dispute with Greece over its name, thus removing the last obstacle for its NATO membership. In June 2018, the Council of the European Union set out the path towards opening accession negotiations with Macedonia and Albania in June 2019 (Emmott, 2018). Even Serbia which declared military neutrality is not leaving membership of the NATO Partnership for Peace program, and routinely participates in joint exercises with NATO members (BBC, 2018), and at the same time is half-way in its negotiations with the EU, expecting to became a full-fledged member by 2025 (Stone, 2018).

Three decades after the demise of communism, no single state in the Balkans has changed its strategic direction because of Russian activities in the region, or announced its intention to leave the Western organizations motivated by the Eastern alternatives. The combined soft power of the West contributed immensely to this outcome.

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The (Non)-Existing EU Standards in National Minority Protection as Prerequisites for Successful European Integration: The Case of Macedonia and Serbia

Katinka Beretka and Marina Andeva

Abstract

In accordance with the Copenhagen Criteria EU membership requires the candidate country to achieve a certain level in minority protection, but up until now there has been no definite answer as to what actually constitutes this rule in practice. For the first time, Serbia was expected to adopt a specific framework document, the so-called Action Plan for the Exercise of the Rights of National Minorities in order to open negotiations on Chapter 23 of its EU integration negotiations. Whether or not this precondition, determined by the EU means that successful accession is conditioned by respect for national minority rights in candidate member states in the future. In the case of Macedonia constant pre-accession monitoring has been carried out and reported in the country's progress reports. Although Serbia and Macedonia occupy different stages in the EU integration process, both contain in their national minority policy sensitive issues that are very similar in their nature. The paper provides a short overview of the (non)-existing EU standards in national minority protection in general, and analyses the most relevant aspects of this issue from the perspective of Serbia and Macedonia.

Key words: Macedonia, Serbia, EU integration, national minority rights, pre-accession.

Introduction

The European Union's (EU) democratic conditionality for the Western Balkans has a unique contour (Blockmans & Lazowski, 2006), the broadest scope and the highest extent hitherto. Beside the general 'Copenhagen' criteria the conditionality for the countries from the former Yugoslavia started even before their independence, namely during the process of the Yugoslav state dissolution, when the EC attributed to its institutions and officials a dominant role for state recognition and efforts in peace negotiation. The constant 'conditionality' mode of the approximation of the Western Balkans towards the EU was just developing over time with the Stabilization and Association Process (SAP) and the so called 'pre-pre-accession' conditionality which was unique model of conditionality towards any potential candidate countries. (Blockmans & Lazowski, 2006, p. 78).

The discourse on the EU conditionality and monitoring process has been very much at the center of EU enlargement debates for those states aspiring to become EU member countries. Although it was rarely studied in specific parameters, 'conditionality' is usually perceived as the core substance of the EU policy towards the candidate countries and a new dimension of the Europeanization research sphere (Schimmelfennig & Sedelmeier, 2005, p. 2).

In accordance with the recently adopted strategy for "A credible enlargement perspective and enhanced EU engagement with the Western Balkans" in the coming years the Republic of Serbia (henceforth: Serbia) and the former Yugoslav Republic of Macedonia (henceforth: Macedonia) "will have the chance to move forward along their respective European paths, on the basis of their own merits" (European Commission, 2018a, p. 7) and fulfilled conditions. Although Serbia and Macedonia occupy different stages of the EU integration process, they do share some common characteristics of importance for their successful accession, among others, the national minority issues. However, given the lack of express EU standards in the field of minority rights, the fulfillment of 'conditions' is usually measured at an individual level, resulting in distinctive conditions and priorities for different candidate states. The subject of our analysis will be the scope and the impact of democratic (political) conditionality on the political discursive processes in the two above mentioned Western Balkan countries, and the discursive rule adoption of the EU as a positive political reference for a policy change in the field of national minority protection, with a special concern with regard to some typical de facto requirements, evolved by the European Commission during the monitoring processes.

Respect for and Protection of Minorities in the EU Context

After the end of the Cold War, the Heads of States and Governments within the European Council, for the first time in the history of EU enlargement, laid down general but clear requirements to be met in order for a candidate country to be accepted for membership (Blockmans & Lazowski, 2006, pp. 62-63). The criteria, known as the 'Copenhagen criteria' were formalized as follows: 1) a political criterion - the stability of institutions guaranteeing

democracy, the rule of law, human rights and respect for and protection of minorities; 2) an economic criterion - the existence of a functioning market economy, as well as the capacity to cope with competitive pressures and market forces within the Union; 3) the criterion for the *acquis communautaire* - the ability to take on the obligations of membership, including adherence to the common aims of political, economic and monetary union; 4) the absorption capacity of the EU- the Union's capacity to absorb new Members, while maintaining the momentum of European Integration, which is an important consideration in the general interest of both the Union and the candidate countries (European Council, 1993).

The first set of criteria is composed of the fundamental rules that give legitimacy to a state to become a credible candidate and commence the accession negotiations which would gradually result in a candidate's full or pre-dominant transposition of the *acquis communautaire* (the second and third criteria). Therefore, for analytical reasons many authors exploit the dichotomy of the so-called 'political (democratic) conditionality' as a strategy to promote the fundamental principles of human rights, stable democratic institutions, the rule of law and minority rights. This conditionality precedes the second type, *acquis* conditionality which encompasses the gradual transposition of all the principles, rules and procedures within the *acquis communautaire* and refers to the second and third set of criteria for membership (Schimmelfennig, Engert & Knobel, 2005, p. 29). The democratic conditionality, in this form, means that its content must be observed in the candidate country in order to upgrade the institutional ties with the EU and advance towards the accession stage of commencing accession negotiations. The European Commission (EC), through its instruments for progress reporting and recommendations towards the candidate countries and EU institutions is responsible for conducting the entire process.

Policies towards minorities' protection constitute elements of the EU's 'political conditionality', thus they represent the 'soft areas' of the *acquis* (Kacarska, 2012, p. 59). In this sense minority conditionality is understood as a construct of a political judgment (Sasse, 2009, p. 20). The EU is based on consensus politics and therefore minority issues, within the EU, have had to be tackled in a particular way, almost by 'stealth' (Weller, et al., 2008). The EU addresses discrimination and social inclusion, cultural diversity, Roma issues, and other issues relevant to minorities; however, the commitment to initiatives on minorities as such has been unsuccessful. In the Charter of Fundamental Rights of the European Union (CFREU), membership of a national minority is mentioned only as a basis for prohibited discrimination, (Art. 21(1), Charter of Fundamental Rights of the European Union. Official Journal of the European Communities, 2000/C 364/01) and because of that minority protection can be viewed only as an outcome of anti-discrimination policies, security and corrective intervention of the police or criminal law against racism, xenophobia and resultant prevention (Szajbély & Tóth, 2002).

For the EU, the protection of minorities is essentially a political criterion. While other Copenhagen criteria were quickly merged into the rules of the Treaties (the Treaty of

Amsterdam, which encoded them in art. 6 of the TEU), the respect and the protection of minorities was not affirmed until the adoption of the Lisbon Treaty in 2009 (Article 2 of the TEU). Although the approach to (national) minorities has considerably changed (for example, by moving away from the concept of collective rights, the increased role of the Court of Justice in interpretation of the concerned article, and the accession of the EU to the European Convention on Human Rights), new competences have been not constituted (Beretka, 2013).

'Respect for and protection of minorities' is outlined significantly in the Copenhagen political criteria, however in the EU laws are not directly translatable into the *acquis communautaire*. In the absence of its own common, legally binding standards the EU has two options: on the one hand, it might 'borrow' guidelines and principles from other European organizations, namely, the Organization for Security and Cooperation in Europe (OSCE) and the Council of Europe (CoE), and rely on their monitoring mechanisms and recommendations (that means at the same time the adoption of a case-by-case approach to the fulfillment of this part of the Copenhagen political criteria), or, on the other hand, the EU might draw its own (political) conclusions through bargaining with the governments of candidate member states, respectively (Tsilevich, 2010). Currently we are witnessing a combination of these options that has resulted in a kind of "*sui generis* minority policy" at the EU level (Benedek et al., 2012, p. 27) and has led to emergence of individual standards.

By requiring (potential) candidate member states to ratify the two most relevant documents in the field of national minority rights, the Framework Convention for the Protection of National Minorities, and the European Charter for Regional and Minority Languages, as a precondition of successful integration into the EU has further deepened the gap between the old and new/potential member states (where the borderline between being 'old' and 'new' is the date of gaining membership of the EU before and after the adoption of the Copenhagen criteria), especially because it has no political and legal capacity to effect changes concerning national minority issues in the existing (old) member states (Guliveva, 2010). However, there are certain differences in the EU's approach to the new democracies of Central and Eastern Europe (Hendriks, Loughlin & Lidström, 2010) and their national minority policies, too. For the first time, new tools have been introduced into the negotiation process with Serbia in order to 'perfect' its minority legislation and bring the *de iure* and *de facto* situation closer to each other, and similar requirements are predicted for the rest of the Western Balkan countries, including Macedonia. Some of the EU member states that have become full members in the recent enlargement rounds in2004, 2007 and 2013 are also confronted with interethnic problems and challenges – for the sake of example Slovakia, Romania or Croatia, but the EU was much more flexible in its interpretation of adequacy of national minority protection in these countries. There were no similar additional preconditions defined towards them in field of minority rights, such as the adoption of action plans or strategies, even though ethnic tensions, and the inefficient enforcement of minority rights in practice are still relevant in some of the cases up to now.

More than Ten Years of Monitoring the Minority Protection in Macedonia

EU Progress Reports contain an examination and assessment made by each of the countries regarding the Copenhagen criteria and, in particular, the implementation and enforcement of the EU *acquis*. The EC started its evaluation with the first Progress Report for Macedonia in 2006. This section, built up on the work by Andeva and Marichikj, 2013) is dedicated to the examination and assessment of minority related issues in the EU progress reports in which the EU conditionality is explicitly expressed.

The first report (covering the period from 1st of October 2005 to 30th September 2006) as with the other Progress Reports which followed, is measured on the basis of decisions taken, legislation adopted and measures implemented in the country. The main issues raised in what concerns the protection of minorities in the PRs are divided here into four main components: 1) the overall situation; 2) institutional capacity and legal framework; 3) cultural rights (linguistic rights and education); and 4) political participation and representation in public administration. Table 1 summarizes all progress reports and the main elements of the evaluation - the negative remarks - divided into the four areas. It covers a period from 2006 to 2017 (with the latest progress report of April 2018).

Progress Reports focus on the legal provisions in the The Ohrid Framework Agreement (OFA) and their progress towards their implementation. The OFA, from 2001 plays a central role in the EC assessment of Macedonia. The OFA is shown as the most important category of the country's success and is 'deemed essential for the stability of the country'. The rationales behind this particular attention to this agreement are the following: 1) OFA is the most important political agreement for minorities' protection; 2) OFA has built a model aiming for inter-ethnic conflict resolution in 2001 and minorities' protection; 3) OFA was negotiated under the strong influence of the EU.

As presented in the table in the first (2006) progress report, non-majority communities remain significantly under-represented in the public administration, contrary to the 'equitable representation' principle underlined in the OFA; the dialogue and trust-building between the communities was evaluated as something that should be further developed to achieve sustainable progress; and the Roma community especially 'continues to cause concern'.

The second progress report, focused further on equitable representation, noting progress on its implementation across the public sector, especially with regard to the judicial authorities and the army. This report also marked positively some of the Commissions for relations between communities (Commissions), set up at a local level which contribute 'effectively to participation by all communities in public life'. The Commissions for relations between communities are set up in those municipalities where at least 20 per cent of the population are members of an ethnic community (Law on local self-government, Article 55). There is no obligation to introduce such a commission where the share of minority population is lower than this threshold, but this can be done if deemed useful. The commission consists of an equal

number of representatives of each community resident in a municipality. The appointment of members is regulated by municipalities' statutes. When voting on issues related to culture and language used by less than 20 per cent of the resident citizens, as well as on issues concerning the use of symbols and flags, the Badinter principle applies. Nevertheless, the integration of minorities, according to this report, is 'quite limited'; some minorities remain disadvantaged in the education and employment sector (especially in the army and police); and not all commissions have been constituted in the concerned municipalities, marking the existing ones as not being effective. This report also emphasizes the issue of an over-employed public administration, where the members of the non-majority communities are employed without taking into consideration the actual necessity of human resources (Foundation Open Society Macedonia and Macedonian Center for European Training, 2013).

Great concern was expressed by the Commission and presented in the progress reports on the functioning of the Secretariat for the Implementation of the Ohrid Framework Agreement (SIOFA). The SIOFA was established to ensure the effective and full implementation of the Framework Agreement and the stability of the country by promoting the peaceful and harmonious development of society, respecting ethnic identity and the interests of all Macedonian citizens. The SIOFA, was continually assessed as a body with a lack of a sound administrative capacity (Stalic, 2013). With regard to institutional capacity, attention was also paid to the agency over the protection of the rights of minorities who represent less than 20 per cent of the population (the Agency) because of its limited resources. In spite of its visible efforts, it was feared that there was not sufficient capability to act according to law (European Commission, 2013). The Commissions are also frequently mentioned in the progress reports because of their scarce financial sources, and a lack of clearly defined competences and inefficient work.

In terms of the protection of cultural rights and the right to education in the minority language, the 2010, 2011 and 2012 progress reports continue to emphasis the question on the lack of adequate education in minority languages and problems in regards to the recruitment of a competent teaching staff. In line with this, are also the negative remarks noted in the 2010, 2011 and 2012 progress reports, with regard to the European Charter for Regional and Minority Languages which was still not ratified by Macedonia (European Commission, 2013).

Many of the critical and negative issues that had been underlined in the first three progress reports have been repeated in subsequent progress reports. The under-representation of the Roma and Turks is an issue which had not been resolved and this was pointed out in almost every progress report. Another aspect which is constantly being repeated is the inter-ethnic tension especially noted in the education system and the regular negative reports on the use of minority language and a lack of adequate legal protection and regulation. The 2013 progress report issued by the EC (October 2013) underlined the necessity of progress on systematic issues relating to decentralization, non-discrimination, equitable representation, and the use of language and education. As a recommendation, the EC pointed out that the ongoing

review of the OFA must continue and recommendations should be implemented since the first review phase (SETimes, 2013) (European Parliament, 2012, p. 5) did not provide any significant results.

The elaboration of the conditionality principle application specifically in the field of minority protection in the EC progress reports aims to help candidate countries 'to pursue necessary reforms and eliminate persisting shortfalls' (Mauer, 2012, p. 12). In the case of the progress reports on Macedonia, an interesting analysis of the discourse used in the progress reports indicates that there are two fundamental shortcomings from which the pre-accession monitoring process greatly suffers (Stajic, 2012, p. 12). Stajic points to the progress reports' 'lack of clarity about the minority protection standards to which Macedonia needs to adhere' and the 'inferior quality of both analyses and [the] assessment of indicator findings' (Stajic, 2012, pp. 12-13). As it was seen from the short analysis above on all aspects concerning minority policies in the progress reports , attention has been given to the critical issues, however no comprehensible recommendations have been given further on necessary improvements and overcoming existing deficient policies.

The 2014 report clearly stated that no progress is being made: "The EU accession process for the former Yugoslav Republic of Macedonia is at an impasse". It noted that "the review of the Ohrid Framework Agreement still needs to be completed and its recommendations implemented." It reported a fragile inter-ethnic situation; the need for continued efforts to address concerns about prejudice and discrimination against the Roma population and a lack of trust which prevails between the communities. This report specifically noted the continuation of the practice of recruiting civil servants from non-majority communities, but without specifying defined posts or job descriptions, often at the expense of the principle of merit. In relation to the education sector, the incidents of inter-ethnic violence in secondary schools are reported as existent and continued from the last report, underlying the fact that unfortunately there is still a separation along ethnic lines in schools.

The subsequent 2015 report (comprising the period between October 2014 to September 2015) noted no progress from last reporting period. It still underlined that the review of the OFA needs to be completed and that the financial situation of the relevant authorities has not changed. No specificities were noted in this report, and by its nature, in relation to minority issues it remained very restrained.

The report from 2016 (comprising the period between October 2015 to September 2016) again underlined that the inter-ethnic relations remained fragile; and continued the criticism against the implementation of the OFA with another remark, reporting it as highly politicized. The OFA review was reported to the government in December 2015 however, as this progress reports states, no follow ups were made. What is evidenced as different from previous reports was the focus on the decentralization reforms as of great importance for the OFA implementation. This report also mentioned that there is a lack of transparency in the selection of state-funded projects on culture and inter-ethnic relations.

The last issued report from April, 2018 (comprising the period October 2016 to February 2018) clearly is one of the most positive ones over the last couple of years. Whereas in previous years there was a clear comment for the lack of implemented legal framework this report states that: "the overall framework for the protection of minorities is in place" (European Commission, 2018b, p. 32). The report welcomes the new law on the use of minority languages, adopted at the end of 2017. There is also some criticism which continues to refer to the status of the minorities representing less than 20 per cent of the population, which are not sufficiently included in policy-making and decision-making at the national level. This report also states that the country needs to address the recommendations issued by the Advisory Committee of the Framework Convention on National Minorities in its last report of December 2016.

Aspects of Monitoring of Serbia's National Minority Policy in the EU Integration Process

In the period between getting a positive assessment in the Feasibility Study on the readiness of Serbia and Montenegro to negotiate a Stabilization and Association Agreement with the EU (2005) and today the EC has adopted twelve annual progress state reports for Serbia, the last one for 2017. Progress report for Serbia share more or less the same structural parts regarding minority rights: 1) novelties in legislation on national minority rights (such as the Constitution, the Anti-discrimination Act, the National Minority Councils Act and its amendments) and their (probable) influence on the *de facto* situation, 2) the operation of state, provincial and local agencies competent for national minority issues (such as the Republican/National Council for Minorities, the Governmental Office for Human and Minority Rights, and inter-ethnic bodies in municipalities), 3) the frequency of ethnic incidents with a special focus on their territorial distribution as in the case of: the Autonomous Province of Vojvodina, Southern Serbia and the Sandžak (Southwest Serbia) and other regional discrepancies (social and economic), 4) the representation in public, provincial and local administration, individual cultural rights (especially in field of education, mass media, and the official use of language in general and with regard to respective ethnic groups), 5) the functioning of national minority councils, and bodies of the non-territorial autonomy of national minorities in Serbia (elections, competences, and funding), and 6) the status of Roma people. Besides issues that focus especially on the Roma ethnic group, some other communities and their needs and expectations were also particularly mentioned (for the sake of example, the uncertain status of Vlachs and Bunjevci, access to the right to information in Bulgarian, TV program broadcasting in Romanian, the availability of textbooks in Albanian and Hungarian, the establishment of the teaching faculty in the Hungarian language in Subotica, the appointment of an ethnic Albanian as the police chief in Bujanovac and court interpreters for the Bosnian language in the Sandzak), even though the approach to minority issues in the reports is primarily of a general character, and mainly repeats the conclusions

and recommendations of the advisory, monitoring bodies operating within the framework of the CoE.

Furthermore, the annual progress reports deal with the situation of refugees and internally displaced persons (IDPs) within the subchapter on minority rights, but we have not studied this aspect in the framework of political 'conditionality' of EU integration. Although refugees do constitute a separate *minority* group in the population who might have to leave the homeland because of their ethnicity (OHCHR, n.d.), and who might integrate into any of the recognized national minorities in the country (and in time claim cultural rights granted for persons belonging to national minorities), there is no definite link between refugees and IDPs on the one hand , and national minorities recognized as such in Serbian legislation on the other hand (Law on Protection of Rights and Freedoms of National Minorities, 2002) . Their equalization well illustrates differences between the Western European and the Western Balkan approaches to multiculturalism, and implies the importance of the application of different minority integration strategies (Eplényi, 2013).

Concerning the main findings of the reports mentioned above - some of the particular remarks (both positive and negative) are summarized in the Table 2 below -, we can conclude that today "legislation to protect minorities is broadly in place but needs to be consistently implemented across the country" (European Commission, 2015b, 49). Pursuant to the EC the Autonomous Province of Vojvodina offers a high degree of minority protection (European Commission, 2014b), and the legislation is implemented most effectively in this part of the country (European Commission, 2015b); but, on the other hand , the Commission does not go into detail regarding the real, legal content of this minority protection. Its statement is actually based on a comparison of provincial circumstances with other regions of Serbia and relies on the relative stability of interethnic relations in the autonomous province. However, generally-speaking, the situation continues to be stable in other parts of the country (Southern and Western Serbia). Also, without considering those periodic tensions and sporadic incidents that necessarily appear from time to time between the respective national minorities (that is usually the dominant one in the concerned region) and the Serbian national majority (such as flag burnings, vandalism, non-attendance at political events or parliamentary work), in particular during the elections and following meetings with the political leaders of Kosovo. Because "the status of different minorities varies in practice from one region to another" (Commission of the European Communities, 2009b, 18), progress reports for Serbia devote special attention to these territories considering the positive evolution or regression of interethnic relations that are important (de)stabilizing factors in the Balkans, in general.

The last progress report adopted for Serbia, emphasizes the importance of tackling regional differences in the implementation of the relatively well elaborated minority-legislation in the country, mentions the Roma social inclusion strategy 2016-2025 and its anticipatory positive effects in practice (it is quite long part in comparison with other minority issues), and touches some novelties in field of education (European Commission, 2018c). However, it

mainly repeats the findings of the previous progress report. Furthermore, it emphasizes that any further step in order to increase the level of respect of and protection for minority rights in Serbia needs to be made in accordance with the so called Action Plan for the Realization of Rights of National Minorities (henceforth: Minority Action Plan), adopted as an integral part of the Action Plan for Negotiation Chapter 23, which implementation, by the words of the progress report , must be sped up.

Serbia was granted EU candidate status in March 2012. In accordance with the negotiating framework adopted by the European Council, Chapter 23 on the reform of the judiciary and fundamental rights, including the rights of persons belonging to minorities, which was opened in July 2016. This is highly relevant, in both Serbia's successful integration and the country's internal-regional stabilization, for several reasons (Milestones in EU – Serbia relations, n.d.). First, Chapters 23 and 24 are the two key reform and political chapters that were opened at the very beginning of the integration process and will be closed at the very end of that process. Second, the respect of and protection for minorities, along with international and regional peace and stability, the development of good neighbor relations and the human rights that constitute the core of these chapters are central to the Stabilization and Association process in the country (Stabilization and Association Agreement between the EC and Serbia, 2013, Article 5). Third, the protection of minorities, including the Roma, is one of the priorities for EU financial assistance (EU Pre Accession Assistance) to support Serbia for the period 2014-2020 (European Commission, 2014c). And finally, during the 2011 population census, 45 different ethnic communities, along with the Serbian (majority) nation were classified in the country (21 with more than two thousand members) (Statistical Office of the Republic of Serbia, 2013) this implies the importance of a functional national minority policy in both the internal and external (bilateral and multilateral) political relations of Serbia. For the sake of example, Romania explicitly conditioned its consent to granting Serbia candidate status for EU membership upon signing a protocol, including provisions on certain minority rights (Novaković & Đurđević, 2015).

The Minority Action Plan was adopted by the Government of Serbia on 3 March 2016 (after a series of consultations with the national minority councils, the NGO sector, provincial administrations and other representatives of national minorities), but some of the included activities had already been realized before the adoption of this document (in 2015 and even before). Serbia's Minority Action Plan devotes separate chapters (eleven altogether) on various aspects of national minority protection, dedicated to the prohibition of discrimination, the 'Roma-question', culture and media, the freedom of religion, the use of language, education, democratic participation, the appropriate representation of national minorities in the public sector, public enterprises, and national minority councils. However, it does not follow the buildup of the Serbian annual progress report and does not address directly in a distinct chapter the interethnic situation in respective parts of the country or the 'Roma-question' and status of refugees and IDPs, which issues, otherwise, occupy a certain place in progress

reports Instead, it relies on the recommendations of the Advisory Committee of the CoE in the determination of specific strategic goals. The sixth quarterly report (on the Action Plan's implementation in the fourth quarter of 2017), prepared by the Governmental Office for Human and Minority Rights of Serbia, evaluates the records of planned measures and tasks, pursuant to the timing of realization. From the 115 activities only eight activities have not been completed at all (mostly from the field of appropriate representation in public sector) and almost 62 per cent of the activities have already been achieved or are continuously implemented (Office for Human and Minority Rights of Serbia, 2017).

The main question is whether or not the Minority Action Plan has been designed to serve as a display case for Serbia's integration process or if it is aimed at producing positive (both quantitative and qualitative) changes in the enforcement of national minority rights in the country. Although a deeper analysis would be necessary to get a relatively correct picture about the current *de iure* and *de facto* situation in field of national minority protection, which would consider the influence of the Minority Action Plan. It might be concluded that most of the projects, including the intense normative activity, and their probable consequences only scratch the surface, especially because the document does not take into account the differences among national minority groups in their wants, size, history (within Serbia) or state of infrastructural development. Treating them on an equal footing might result in the effacement of the needs of numerous (bigger) communities in favor of 'smaller' ones, whose wishes might be simple and less expensive.

Concluding Remarks

Most progress reports for the Western Balkan countries are thematically organized in accordance with the principles enshrined in the CoE Framework Convention (Benedek et al., 2012). The reports do not contain separate main chapters to various aspects of national minority protection, but they place these aspects under the Political criteria in separate paragraphs. In Chapter 23 dedicated to the Judiciary and human rights further insights into the countries' situation are mentioned, however again these are not detailed as sometimes they are introduced at the beginning of almost every progress report. The 'Roma-question' and status of refugees and IDPs, occupy a certain place in the progress reports , however, as mentioned previously in the case study analysis, only the former was focused on in this chapter.

In the history of the EU integration of the Western Balkans, Croatia was the first country to gain candidate status (and the first and up until now the only country entering the EU from that region) on 1 June 2004, followed by Macedonia one year later, on 16 December 2005. Serbia on the other hand, was the first country that was invited to adopt a separate action plan on national minority rights. In reference to the adoption of an action plan, similar tools should be used in other countries of the region, including Macedonia, prioritizing key issues

in the respective state (European Commission, 2018a). That means that requirements in national minority protection vary from candidate state to candidate state, even though Serbia's Minority Action Plan may serve as a good starting point. As seen in this paper, in the Macedonian case, the OFA was mentioned as a key document to be followed but considering the constant negative remarks on its implementation the argument for other instruments holds as valid.

Until 3 April 2018 more than one million European citizens have signed the *Minority SafePack* which is: "a package of law proposals for the safety of the national minorities, a set of EU legal acts that enable the promotion of minority rights" (Federal Union of European Nationalities, n.d.). The goal of the initiative is to shift dealing with national minority issues to the EU level that would mean, among other things, a totally new understanding of this part of the Copenhagen criteria (including the observation of the respect of national minority rights in the old member states). Because of the success of the signature-collection the EC is obliged to engage in the proposal in accordance with the rules of the European Citizens' Initiative. However, currently it is unpredictable how this situation would affect the (trans)formation of the requirements towards Macedonia and Serbia in their respective integration processes. The progress reports so far did not show significant steps forward in this direction and are by no means considered as key documents from which the standards for minority protection can be shaped. And again, as mentioned previously, the "*sui generis* minority policy" at the EU level is dominant and subject to further novelties expected to be introduced in the upcoming period.

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Tables

Table 1. *An overview of the negative remarks and issues in the Progress Reports on protection of minorities in Macedonia (2006 – 2017) (Commission of the European Communities, 2007a); (Commission of the European Communities, 2008); (Commission of the European Communities, 2009a); (European Commission, 2010); (European Commission., 2011); (European Commission, 2012); (European Commission, 2013); (European Commission, 2014a); (European Commission, 2015a); (European Commission, 2016a); (European Commission, 2018b)*

		Overall situation	**Institutional capacity and legal framework**	**Cultural rights**	**Representation**
Progress Reports	2006	dialogue; trust-building			under-represented non-majority communities
	2007	minorities' integration is 'quite limited'	Commissions not effective		over-employed public administration
	2008		ECRML not ratified; SIOFA lack administrative capacity	use of minority language by small ethnic groups not adequately covered by law; no consensus on the use of flags	employments of ethnic groups are politicized
	2009		SIOFA lacks administrative capacities; the Agency lacks functionality	small progress use of minority language of small ethnic groups; lack of consensus on the use of flags	under-represented non-majority communities; over-employed public administration without adequate competences
	2010	tensions in inter-ethnic political dialogue	ECRML not ratified; SIOFA fails to report its activities and progress	no adequate education in minority language no competent teaching staff; no consensus on the use of flags	over-employment, lack of adequate competences and working facilities; under-represented non-majority communities
	2011		ECRML not ratified; SIOFA with no competent personnel; Commissions lack of financial sources and clear competences; the Agency not efficient according to law	No adequate education in minority language not; no clear monitoring mechanism for the Law on the use of minority language implementation; ethnic segregation in schools	no. of employed members of ethnic groups are on payrolls without defined tasks and responsibilities
	2012	ethnic tensions	ECRML not ratified; OFA review; SIOFA further capacity building; Agency-limited human resources	same as in 2011	not-equitable representation in public administration

Progress Reports	2013	rare initiative promoting interethnic harmony; ethnic tensions	OFA implementation; first phase of OFA review ; necessity of coordination between SIOFA and other government institutions; SIOFA lacks administrative capacity	same as in 2011 and 2010; necessity for state financing of the strategy for integrated education	under-representation of non-majority communities
	2014	insufficient financial and human resources and inadequate cooperation between the authorities concerned.	The Law on Use of Languages and the Law on Use of Flags of the Communities still not been properly implemented.	Increased political support and state funding are necessary for efficient implementation of the Strategy on Integrated Education.	In 2013, the overall proportion of civil servants coming from non-majority communities increased slightly to reach 19 %.
	2015	Inter-ethnic situation remains fragile.	No progress in the past year.	Curricula for the Roma, Vlach and Bosnian languages in elementary schools developed, coming into effect from 2016/17.	The Agency for the Protection of Minorities representing less than 20 % of the population still struggles with an inadequate mandate, insufficient budget and a lack of support from relevant institutions.
	2016	Inter-ethnic tensions calmed by community and political leaders.	The legal and institutional frameworks are largely in place, however, no progress in the past year. The legal framework for local self-government needs to be reviewed.	The selection of state-funded projects on culture and inter-ethnic relations lacks transparency.	Minorities representing less than 20 % of the population are left outside the mainstream policy and decision-making process.
	2017	Overall framework for the protection of minorities is in place	The 2001 Ohrid Framework Agreement and relevant constitutional amendments frame inter-ethnic relations	Measures to address separation along ethnic lines, notably in education or youth, are still lacking	Minorities representing less than 20 % of the population are not sufficiently included in policy-making and decision-making at the national level.

Table 2 . *An overview of some of the main remarks and issues in the Progress Reports on protection of minorities in Serbia (2005 – 2017)*

		Legislation	**National Minority Councils**	**Individual (cultural) rights**	**Other relevant issues**
Progress Reports	2005	separate National Minority Councils (NMC) Act should be adopted	NMC operate under the 2002 Minority Protection Act, funding is not regulated		establishment of the Council for National Minorities, chaired by the Serbian Prime Minister, after incidents in Vojvodina
	2006	provisions of the Criminal Code on racism and xenophobia	there has been no progress in the adoption of new legislation	progress in minority education and availability of textbooks; measures to increase minority representation in public administration and judiciary	
	2007	minority rights in the new 2006 constitution; removal of the 5% threshold for ethnic minority parties	ongoing finances, expired mandate of NMC elected under the 2002 Minority Protection Act (legal vacuum), no new legislation	progress in official use of languages and availability of textbooks	the Republican Council for Minorities has not met since 2006
	2008	municipality seals in minority language; constitution of inter-ethnic councils at local level	increased finances, but separate law on NMC should be adopted	disproportionately high level of unemployment among minorities	bilateral agreements with neighboring countries are not implemented; joint commissions are not operational
	2009	law on NMC; anti-discrimination act; affirmative measures on ethnic political parties			set of recommendations regarding the ECRML; meeting of the Serbian-Hungarian Inter-State Commission
	2010	new statute of the AP Vojvodina and law on its competences	first direct elections of NMC under the new law	information and education remain to be improved particularly in case of the Bosniak, Bulgarian, Bunjevci and Vlach minorities	the adoption of new laws on public property and on provincial own resources is still pending.

	2012		the Bosniak National Councils has not yet been formally constituted; regular financial reporting of NMC	coordination between the central and local level needs to be further improved as well as awareness on the minority issues	Governmental Office for Human and Minority Rights was established; translated questionnaire and minority language speaking enumerators in the census
	2013		recommendations of independent bodies concerning amendment of the Law on NMC	traineeship programme in public administration for underrepresented minorities	newly re-established National Council for Minorities has not yet met
	2014	amendments to the Law on NMC regarding elections	elections scheduled for October; ruling of the Constitutional Court	national minorities' representation in public administration bodies, particularly at local level should be improved	the Republican Council for Minorities is not functioning; local councils for inter-ethnic relations remain under-used
	2015	action plan on the protection of national minorities was finalized	20 national minorities elected their councils; a comprehensive revision of the Law on NMC needs to be adopted	ensure more consistent access to information in minority languages in public media service providers	the Republican National Minority Council was re-established; State Fund for National Minorities is not operational yet.
	2016		changes are still pending to the Law on NMC	agreements on printing textbooks in minority languages; financial viability of media content in minority languages; access to justice in minority languages not ensured	better developed teaching of Serbian as a non-mother tongue; decree establishing a new Fund for National Minorities
	2018	changes are still pending to the Law on NMC and Minority Protection Act	good cooperation between NMC and the Republic NMC; increased funding for NMC	broadcasting of programmes in minority languages remains vulnerable; improvement in teaching Serbian as second lang.	

PART FOUR:
THE TRADE AND LABOUR MARKET IN THE BALKANS

Further Trade Integration in the Regional Economic Area of the Western Balkans: Steps Toward EU Enlargement

Bettina Jones, Reyhan Suleyman and Leona Mileva

Abstract

The economies and political systems of most European countries have successfully integrated to the European Union while also maintaining their sovereignty. Today, the countries of the Western Balkans (Macedonia, Serbia, Montenegro, Albania, Bosnia and Herzegovina, and Kosovo) are also seeking European integration, but mainly lag behind in terms of the human rights and economic indicators of readiness to integrate. A solution to this problem is the Regional Economic Area of the Western Balkans, an initiative which all the Western Balkans governments have agreed to, which would not replace eventual European Union membership but rather serve as an important stepping stone towards it. An action plan for regional economic integration was created at a meeting of Western Balkans heads of state in July 2017, but its steps are vague and leave out significant risks facing all Western Balkan governments. We identify, empirically and theoretically, the main risks to effective regional trade integration specifically, and find that the presence of administrative barriers to trade (ATBs) and regional political conflicts may prevent or deter full regional trade integration, an important step before European integration. We look to the most significant barriers to trade in the region in order to provide recommendations and more detailed action steps to make regional trade integration a reality.

Key words: Trade, regional integration, infrastructure, regional politics, common market, Western Balkans, non-tariff barriers.

Introduction: The Recent Political and Economic History of the Western Balkans

The term "Western Balkans" is a new geo-political phrase (Dedzanski et al., 2012) which was first used in the 21st century and includes the former-Yugoslav territories of Serbia, Montenegro, Bosnia and Hercegovina, Macedonia and Kosovo, as well as Albania. The Western Balkans, which has become an island in Europe, has been trying to integrate into the EU for more than 15 years. However, the transition to a market economy for the Western Balkans evolved under more difficult conditions compared to more advanced countries in Central and Eastern Europe (CEE) (Svrtinov et al., 2016). If we look through recent history, the fall of the Socialist Federal Republic of Yugoslavia, which was the most developed country at the end of the 1980s in South East Europe (Svrtinov et al., 2016), was followed by conflicts, wars, and blockades. In addition to the slowdown of the economic transition from socialism to a market economy, regional conflicts and political instability slowed down the privatization process occurring in the 1990s, and both inflation and unemployment increased. Similarly, in 1991, several years after the death of dictator Enver Hoxha, Albania began to open up after a long period of isolation. After the fall of Yugoslavia and its wars of secession, as well as the fall of the regime in Albania, the main priority of Western Balkan countries was to have peace, political stability and economic growth. Indeed, during the 1990s the transition process started becoming apparent in each of the countries concerned, although this process in Kosovo in particular was somewhat stunted due to the Kosovo war and the following ten years of relative instability before it declared independence in 2008. . The economies of the Western Balkan countries started becoming export-oriented, with the IMF being closely occupied with the economic transformation of the Western Balkans from the start. Over the period 2000 to 2008, the average GDP growth in the region was above 5 per cent, which partially closed the gap in the standards of living of Europe's richest countries (Murgasova et al., 2015). But, even though growth in the Western Balkans saw a fast increase in this period, it still remained one of the poorest regions in Europe, and after the financial crises in 2008, the economic growth in the Western Balkans slowed down as a result of the increase of public debt and fiscal buffers put in place to protect the economies from crisis.

Regional Cooperation of the Western Balkans, with Common Risks of Unemployment and Inflation

For a faster integration of the Western Balkans to the EU, many initiatives for regional cooperation have been introduced in sectors such as aviation, the railways and energy, but the most significant progress has been made in trade integration (Handjiski et al., 2010). Regional cooperation has been important for political stability and economic development. At the Western Balkan Summit in 2003 in Thessaloniki, the Western Balkan countries dedicated themselves to developing regional cooperation through regional free trade, the development of transport, the creation of regional markets for electricity and gas, energy and

telecommunication infrastructures, research in technology and development, cross-border and parliamentary cooperation, and other areas. This was done because through regional cooperation, the business environment would improve in the Western Balkans, encouraging foreign and national direct investment, which would in turn create jobs and improve living standards (EU Commission, 2005).

For better regional cooperation, in December 2006, the Agreement on the Amendment and Accession to the Central European Free Trade Agreement (CEFTA) was signed by the Western Balkan Six and Moldova. This agreement concentrates on fully liberalizing trade in the region and achieving greater cooperation in a number of trade-related areas, such as services, public procurement, investment and intellectual property rights (Handjiski et al., 2010). The economic priority for the faster integration of the Western Balkans to the EU has been macro-economic stability. Only with macro-economic stability can the Western Balkans achieve economic growth and reduce unemployment, one of the key problems that the Western Balkans had to confront since the beginning of its transition. After the fall of Yugoslavia, many state-owned companies closed and people were left without jobs. Even though with privatization the unemployment rate started to decline, the Western Balkan countries still have much higher unemployment rates compared to EU countries.

Unemployment rate in Western Balkan Countries 1991-2017 (no data available for Kosovo). Source: World Bank 2018.

For macroeconomic stability, stable monetary exchange rates also needed to be achieved. After the fall of Yugoslavia, the wars and the collapse of the common market brought inflation to the countries in the region. The highest inflation in the region in the mid-1990s was seen in the Federal Republic of Yugoslavia (Serbia and Montenegro, including Kosovo at that time), which in January 1994 reached its peak with 313 million percent per month (Petrovic et al., 1999). Montenegro adopted the German mark and after several years the mark was replaced by the euro, which helped the economy of Montenegro stabilize and begin its steady growth

(Svrtinov et al., 2016). In order to keep a stable exchange rate, the Macedonian currency was pegged to the euro (Radovanovik-Angjelkovska, 2014). Bosnia and Herzegovina's currency was also pegged to the euro, and Kosovo adopted the euro in order to avoid inflation (Svrtinov et al., 2016).

Now that unemployment rates in the region seem to be steadily decreasing, and following the collapse of the Socialist Federal Republic of Yugoslavia in 1992, currency stability was achieved through pegging and floating exchange regimes, regional cooperation is not only once more a possibility between nations once at war or completely isolated from one another, but it is the key to their prosperous futures.

The Regional Economic Area of the Western Balkans

On 12 July 2017 in Trieste, Italy, the heads of state of the six countries in the Western Balkans region (Albania, Kosovo, Macedonia, Montenegro, Serbia, and Bosnia and Herzegovina) endorsed the Multi-annual Action Plan (MAP) for the creation of a regional economic area in the Western Balkans as an important step before the countries in the region integrate into the European Union. The plan had the goal of enabling the "unobstructed flow of goods, services, capital, and highly-skilled labor," making the Western Balkans more attractive for trade and investment, and accelerating its members' entrances into the EU (Western Balkans Civil Society Forum), aided by the bargaining power available to an economic bloc with a total population of 20 million people (Vucic, n.d.). Priority Area 5 within the "Productivity and Economic Integration" part of the Western Balkans Regional Economic Integration Issues Notes published by the World Bank is stated as follows: "Removing barriers to intra-regional trade and investment and participation in global value chains, which is essential for knowledge spillovers and productivity enhancement" (World Bank, 13). This Priority Area is viewed as an essential step within the first pillar of reforms necessary for the full regional integration of the Western Balkans region to take place, the pillar of "Trade, Investment, and Capital Markets." On 31 October 2017, the Regional Cooperation Council (RCC) hosted the first meeting of the MAP coordinators (representatives of the six Western Balkans Governments) along with representatives of several international organizations, including CEFTA and the Western Balkans Six Chamber Investment Forum (CIF) in Brussels. At this meeting, the coordinators revealed their plans for the implementation of MAP, including timelines and deliverables. Following the meeting there was a business-to-government (B2G) meeting for the purpose of creating a more beneficial, inclusive, and transparent plan with the input of the private sector (RCC, 2017).

The focus of this paper will be the first pillar of the Regional Economic Area Multi-Action Plan, trade, while briefly touching on the others (investment, mobility, and digital integration) as they relate to the regional area as a whole.

The Structure of the Regional Economic Area in the Multi-Annual Action Plan (Trade Component)

Before delving into the specificities of the trade component of the REA MAP, it is necessary to first define the critical role of the Central European Trade Agreement (CEFTA), both as being a crucial actor in the plan and as a regional trade integration force in its own right. CEFTA was established in 1992 by the Visegrad group, where the goal was to help countries with non-democratic pasts acquire democratic and free market institutions and also join the European Union, where countries leave CEFTA when they join the European Union. As stated earlier, the Balkan States joined CEFTA through an agreement in 2006, including all the Western Balkans Six included in the REA MAP, plus Moldova (Global Edge- CEFTA). Thus, the REA MAP and CEFTA have many shared goals. It is necessary, however, to define where CEFTA ends and where the REA MAP begins, because the REA MAP goal is more short-term and represents a stepping stone goal in the goal of CEFTA.

The Multi-Annual Action Plan for a Regional Economic Area in the Western Balkans (Trade Component, the first pillar) foresees four sub-components: the facilitation of free trade in goods, the harmonization of CEFTA markets with the EU, creating a NTMs (non-tariff measures) and TDMs (trade-distorting measures)-free region, and the facilitation of free trade in services. Under these sub-components are objectives, and they include: strengthening the monitoring and enforcement capacity of CEFTA, Adoption of Additional Protocol 5 and the Start of Its Implementation, Systemic Monitoring of NTMs in trade and goods and services, and several others. Under each objective are actions, and include timelines and responsible parties. For instance, for the objective "Adoption of Protocol 5 and the Start of Its Implementation," the actions are: the "adoption of validation rules for mutual recognitions in AP 5, ensuring timely entry into force of the AP 5, and start of implementation of Mutual Recognition Programs (border documents and authorized economic operators [AEO] program) (RCC, MAP, 8). Additional Protocol 5 to CEFTA will simplify clearance procedures and reduce formalities where possible, "exchange data between customs authorities, and mutually recognize the AEO programs in all CEFTA countries" (CEFTA, 2016). The rest of the objectives and components are organized in the same manner, with trade being the component with the highest number of objectives and activities. Each of the six Western Balkan countries has appointed its own MAP Coordinator, as well as a MAP Component Contact Point for each of the four components. Therefore, there is a Contact Point for the trade component for each of the Western Balkans Six. The MAP coordinators will meet at least twice annually to review progress, which will "enable coordination at the regional level" (RCC, 2, Draft Guidelines). The role of regional coordinator for trade will be carried out by the CEFTA Secretariat, and there already exist regional platforms and working groups that will help in carrying out the MAP, including the CEFTA Committee on Trade Facilitation, and the CEFTA subcommittee on customs and rules of origin. This has some sense to it, in that the MAP as it relates to trade is carrying out the same goals as CEFTA, but looking at the CEFTA website, it is sometimes difficult to determine

which activities are being carried out within the MAP REA or outside of it (namely, in CEFTA's Support to Facilitation of Trade Between CEFTA Parties project). However, this aspect of the non-creation of an entirely new body is in line with the MAP's notion that it "does not foresee establishment of any new institutions or organizations" in keeping with the principle of "all-inclusiveness" (CEFTA, Draft Guidelines, 1). It is our assumption that the Regional Cooperation Council/CEFTA would have felt it to be redundant as well as exclusivist to create a new institution to carry out this MAP, and therefore put its work as it relates to trade under the umbrella of Western Balkan government representatives and organizations like CEFTA, who are already working towards the same goals.

Risks to Balkan Regional Trade Integration

An important indicator of trade liberalization is a nation's exports as a percentage of GDP, and by this indicator, the Western Balkans are not very well integrated into the global economy (the most integrated of them, such as Serbia and Macedonia, have an export-to-GDP ratio of about 40 per cent , while Slovakia and other comparable countries have 80 per cent or higher), though these ratios have increased in recent years (World Bank, 15). Similarly, most Western Balkan countries have significant current account deficits, with a regional average of 5.5 per cent of GDP, and some are as high as 10 per cent of GDP (*The Economist*, 2017). Additionally problematic is that a majority of firms in the Western Balkans sell only domestically, and if they do export, it is mainly to the European Union rather than among themselves. For instance, Albania, Bosnia and Herzegovina, Macedonia, and Serbia send 60-70 per cent of their exports to EU markets, as opposed to just 10 per cent to CEFTA countries. This lack of trade both with the EU and with other Western Balkans countries can be at least partially explained by two main factors: costs to trade and non-tariff barriers (NTBs). The costs to trade can be both financial and non-financial; and they include border crossing costs and issues, documentary compliance, and regulatory burden in export markets (World Bank, 16). Non-tariff barriers (NTBs) or non-tariff measures (NTMs) are any method used to block exports that go beyond the simple adoption or removal of a tariff, and they can include "various bureaucratic or legal issues" that hinder trade, like import licensing, rules for the valuation of goods at customs, inspection measures, rules of origin, and others (WTO).

To bring the problem of NTBs closer to the issue at hand, in the Western Balkans it has been found that the most detrimental NTBs are administrative ones. These administrative barriers to trade can be defined as: "all barriers to trade that are derived from national laws and regulations and administrative procedures that curtail international trade" (Bjelic et. al, 3). The forms it takes are varied, but can include large numbers of paper documents, complicated external trade procedures, a lack of transparent rules, multiple controls at border crossings, and poor transport connections (Bjelic et. al, 3;6). According to a survey of Western Balkan firms, the frequently-occurring or problematic perceived NTBs include: a lack of information

about CEFTA, lack of accessibility to legislation, and technical regulations and conformity assessments (OECD, 2009). These administrative barriers to trade have the most negative impact on intraregional trade, yet they are still not regulated by the WTO, which explains why many countries use them (Bjelic et. al, 2013).

It would be useful to determine why these NTBs exist in the Western Balkans, so that it is sure that the root causes of the problems are addressed in the action plans for the trade integration of the region. It is also essential for the Euro-Atlantic future of the countries that make up the Western Balkans to make these changes now so that accession to the European Union will be smoother later on. It seems that these NTBs exist, both in their legal and procedural forms, due to the inefficient work of customs services of these countries and the services associated with them. In turn, the reasons for this inefficiency of work are "[firstly] low levels of trade capacity in some countries and...[secondly] a clear intention to make imported goods uncompetitive" (Bjelic et. al, 2013, 8). Whether intentional or not, these characteristics of Western Balkan trade infrastructure can have catastrophic results for a country's exports, which in general are accepted as one of the critical measures of the economic health of a country (World Bank). It was found that increased transport/transaction costs associated with importing/exporting goods within the Western Balkans region generally impacted negatively on Western Balkans exports; a one-day increase of *time to export* lowered overall exports by 1.6%. Thus, NTBs are detrimental to exports in the Western Balkans.

Although the idea of a customs union has been endorsed by some Western Balkans leaders as a solution to these issues (notably by President Aleksandar Vucic of Serbia); it might prove difficult to implement. Firstly, services in the Western Balkans, which make up the majority of its exports, are lower-tech than in Western Europe, due to the fact that they were "generated by the survival strategies of people made redundant by the demise of socialist-era industry" (*The Economist*, 2017). These services are difficult to be exported due to the size of the firms and their lack of international management experience, and the services industries are not really compatible with a customs union. Additionally, the economies of the Western Balkans are very diverse-some rely more heavily on agriculture (i.e. Albania) and others mainly import foodstuffs (i.e. Bosnia and Herzegovina). Similarly, Serbia's economy is more heavily based on industry, while Montenegro relies on tourism. Therefore, attempting to arrange tariffs on imports that would suit all the countries would prove difficult, since they are all importing and exporting different materials or products (*The Economist,* 2017). Crucially, therefore, it is important to note that it is not one of the goals of CEFTA or of the REA to arrange regional external tariff regimes (RCC Guidelines, 2017).

Related to the problem of NTBs that were identified earlier, where ATBs have been determined to be the most problematic barriers for the region's trade integration, a common market would be required, and not only a customs union, because a customs union would not remove all border checks and legal requirements, which are the main elements slowing down trade between the countries and increasing transaction costs. Finally, Serbia is unquestionably the

lead economy in the region, and it would be difficult for the other economies in the region to increase trade with Serbia in terms of sending goods to Serbia, or at least in a significant way, because of the lack of size and power of the firms. Momentarily Serbia is the main regional exporter to all the other countries without much being imported in return (*The Economist*, 2017).

Problematic Aspects of the Action Plan for Regional Integration

The Regional Cooperation Council's "Multi-Annual Action Plan for a Regional Economic Area in the Western Balkans" (RCC, July 2017) boasts many positive aspects. However, regarding trade, the plan with its four aforementioned objectives may prove difficult to enact, due to several factors, which are also present in the other pillars of the plan. These are 1) The relative vagueness of some of the action steps, to the point where it may be unclear whether something has been completed or not, and 2) Lack of public awareness or sharing of the progress on the plan. An example of the first issue is in 1.3.2, where an action step for the objective of "eliminating any remaining discriminatory practices in public procurement markets" is "monitoring the elimination of remaining discriminatory practices in public procurement markets" (RCC, 9). This does not provide any meaningful measures that could be used in the monitoring of any concrete steps, meetings, or any similar things. An example of the first issue is that according to the plan, Additional Protocol 5 of CEFTA should have been adopted and started implementation by now, but no information is currently publicly available on its progress, or on the progress of much else regarding the steps. Since the adoption of the action plan in the Summer of 2017, silence has prevailed, except for a vague report on the meeting of the national coordinators in October. This vagueness and lack of public accountability could prove problematic for the implementation of the plan in its fullness and in a timely manner, thus impeding the efforts of all the parties to create a true regional economic area.

Political and Administrative Threats to Regional Trade Integration

In order to achieve higher investments, the Western Balkan countries need to harmonize their laws and weaken the trade barriers. However, collaboration between the Western Balkan countries is not easy, due to their history and current politics. Countries are competing each other in regards to the EU, rather than working together. The "new economic bloc" is still facing a political spar between the countries as well within the countries (such as between Bosnia and Herzegovina and Republic Srbska; and between Kosovo and Serbia) (Hopkins, 2017). Moreover, the geostrategic position of the Balkans is delicate. Geostrategic borders in the past were set differently from what they are today and this is a very important and crucial factor. (Grupe and Kusic, 2005). Additionally, today countries belong to different unions. Some states are waiting for a call from the EU, others have already begun their negotiation

processes, and it has become a kind of a "race." The tensions between the countries are still present and it will take some time for smoother cooperation, and this depends on the willingness of the political leadership of the countries.

Western Balkan countries face increased barriers today, and it is necessary to see if they can function and improve trade relations outside of the EU and CEFTA (Hopkins, 2017). In order for this to be achieved, political barriers should be tackled. Regardless of political status, the economies of the countries must grow, and for that, cooperation is needed. Closures between countries must be removed. For stable a Western Balkans, countries must follow and accomplish the Berlin process, focus on overcoming political barriers, search for more investments, improve the infrastructure that connects them, and finally what is most important, make trade much easier without bureaucracy and obstacles that are often used as methods of discouraging imports for political reasons.

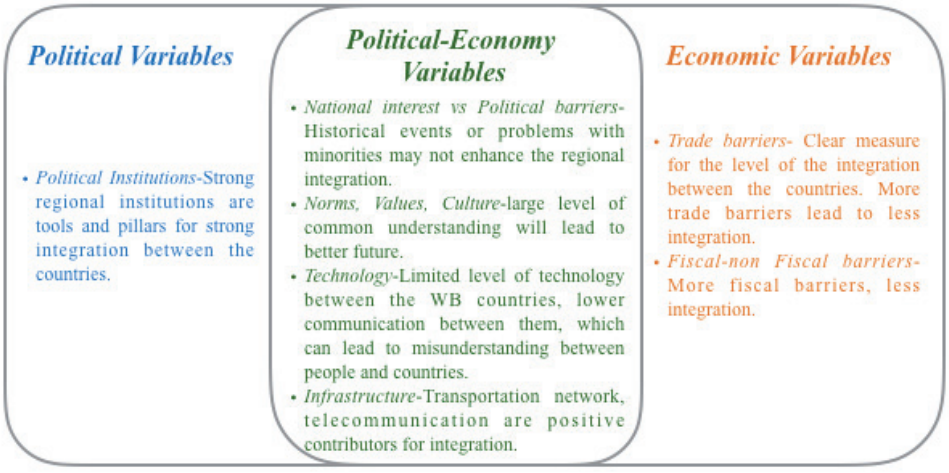

Figure 2: *As we can see, political barriers between countries often manifest themselves as trade barriers when the national interest becomes more important than regional interests.*

Source: Sklias, 2011.

To achieve this, Western Balkan countries need to follow the agenda from the Berlin process. Moreover, Western Balkan countries should learn from Europe lessons on how to unite and function without obstacles. This process will take time and patience, taking into account the economic and political situations of the countries as well as the mutual history they experienced.

Recommendations and Conclusions

Public awareness should be raised among citizens and in public discourse of regional unity and the dangers of nationalism.

Unnecessary administrative barriers (costs, documents, extra procedures), and border issues (such as lack of available lanes) should be minimized by the security authorities within and between Western Balkan countries because they increase corruptive practices and decrease the willingness of companies to trade regionally and to be competitive.

The Western Balkans should continue to work on making common trading laws and documents in multiple languages to be used in trade between the countries.

Western Balkan firms and governments should make exporting to other Western Balkancountries a priority, emphasizing lower transportation costs and similar untapped markets when doing so.

Western Balkan governments or economic forums should host regional business forums to increase interregional trade.

The action plan for the Regional Economic Area should be broken down into more specific activities, with a plan for monitoring and evaluation and appropriate indicators.

The activities/news for the Regional Economic Area should be more publicly available and transparent, so as to be accessible to regional companies and researchers, and the difference between CEFTA and MAP programs emphasized.

The Regional Economic Area is foreseen as a stepping stone for the Western Balkans Six into the European Union, and not a replacement for EU membership. It has a similar goal to the European Union at its inception: to build up the post-conflict region, ensure mutual cooperation and benefit, and ensure catastrophic war does not occur again. However, administrative non-tariff barriers, often erected for political reasons, threaten to prevent this regional cooperation from happening. It is of paramount importance that Western Balkan leaders take the initiative by decreasing nationalist rhetoric and policies and increasing regional and cooperative initiatives regarding administrative trade barriers, for the benefit of all the nations' populations. Furthermore, it is critical for the RCC and regional governments to be more action-oriented rather than theoretical when it comes to their meetings for the MAP and also to make information and news on the topic more transparent and widely available.

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Toward Labor Migration and Poverty in Balkan Countries in the Context of Sustainable Development and Inclusive Growth

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Abstract

The Balkans is well known for playing a considerable role in changes and migrations on a global level. This chapter discusses the relationship between labour migration and poverty in Macedonia and other Balkan countries, during a period of rapidly growing inequalities. This is placed against the on-going debates on changes in the patterns of employment and job creation, during the period of economic liberalisation, under the Sustainable Development and Inclusive Growth policies, and also under the impact of the global financial crisis. The focus is on migration in Macedonia compared with the other Balkan countries that have been analysed, and whether or not economic growth signifies a route out of poverty, and the specific policies that should be improved and recommended. The chapter argues that the Gini index is connected with migration dynamics, but that it is not the crucial. There are a lot of variables, economic or social, that have an influence on migration and it is hard to find their dependency with migration, because it is a very complex process that has impacted on different spheres of peoples' lives. This is directly relevant for policy and the Smart Sustainable Development and Inclusive Growth model and an inter-disciplinary approach to the study of migration.

Key words*:* Sustainable Development, Inclusive Growth, labor, migration, poverty.

Introduction

Increasing environmental and international migration awareness and concern, digitalization, urbanization and technological development have together resulted in an urgent need and opportunity to rethink how we construct and manage our society. Over the last decades, these interlinked issues and developments have started to converge under the new heading of a Smart Sustainable Development and Inclusive Growth policy. The 2030 Sustainable Development Agenda pays special attention to common sustainability goals and problem solving questions, more than on the needs of migrants, refugees and displaced persons.
The chapter considers, to the extent that existing data will allow, whether it is likely that patterns of migration and their links with poverty have changed since the turn of the 21st century, and whether current social policies under the government of different countries have become inclusive of poor labor migrants. Governance and the regulation of international migration require by definition international cooperation and partnerships. Governance of migration similarly requires the international exchange of reliable and comparable disaggregated data on migration, including on migrant and refugee skills, educational attainment, employment, labor market participation, development contributions, and social protection and other factors. This chapter discusses the relationship between labor migration and poverty and the policy of Sustainable Development and Inclusive Growth in EU, Macedonia and other Balkan countries.

Addressing Weaknesses in Sustainable Development Studies

Approximately 9 per cent of the world's people are international migrants. It is commonly assumed that international migration has accelerated over the past half century, that migrants travel over increasingly greater distances, and that migration has therefore become much more diverse in terms of the origins and destinations of migrants (Czaika and de Haas, 2014).

The global pattern reflects migration tendencies from developing countries to developed countries. Large and persistent economic and demographic asymmetries between countries are likely to remain the key drivers of international migration for the foreseeable future. Between 2015 and 2050, the top net receivers of international migrants (more than 100,000 annually) are projected to be the United States of America, Germany, Canada, the United Kingdom, Australia and the Russian Federation. The countries projected to be net senders of more than 100,000 migrants annually include India, Bangladesh, China, Pakistan, and Indonesia. Figure 1 lists average annual net migration by regions over more than 25 years.

More people are on the move now than ever before. The overwhelming majority of migrants leave their countries of origin voluntarily, in search of better economic, social and educational opportunities and a better environment. At the end of 2015, there were estimated to be over 244 million international migrants, representing an increase of 77 million – or 41 per cent–

compared with the year 2000 (World Health Organization, 2018). According to Figure 1 where net migration is presented by region we can notice that Europe is very interesting and popular for the migrants and it is the region with the highest migration. Europe is attractive for the migrants from the countries of other regions such as Asia and Africa, but developing countries in this region are most attractive for migrants from the Balkan countries.

Globalization has made the free flow of goods and ideas an integral part of modern life. The world has benefited greatly from the accelerated exchange of products, services, news, music, research and much more. Human mobility, on the other hand, remains the unfinished business of globalization. Migration policy and cooperation frameworks struggle to address the push-pull forces of migration and the cascading effects that migration has on communities of origin and destination.

Considering both its positive and negative impacts is essential to fully realizing a range of development objectives, including food security, decent work and access to health care and basic services. Links between underdevelopment and forced and unsafe forms of migration should also be taken in account. Governments increasingly recognize that migration is both inevitable and necessary, and that it can contribute to inclusive and sustainable social and economic development, benefitting countries of origin and destination as well as migrants and their families (United Nations, 2017).

The Relationship between Development and Migration

What is development? A multi-dimensional process by which a more balanced distribution of wealth and prosperity, and better opportunities for a viable future, including poverty reduction, and the reduction of insecurity are achieved. The consequences are: an increase in individual opportunities to migrate, which will in turn necessitate fewer people having the need or desire to migrate.

The causes of migration are manifold and complex, but include:

- Stagnating economic growth;
- Poverty;
- Rapid population growth;
- Unemployment and underemployment;
- An unbalanced distribution of wealth;
- Pressure on agricultural and other resources;
- Globalization;
- Bad governance and human rights abuses;
- Violent conflict and a lack of security;
- A “Culture of Migration”.

The motives of individual migrants are often made up of a mix of voluntary and forced aspects that cannot be separated from structural conditions. Moreover, migration decision-making involves both the individual and his/her family. In the last few decades, the key drivers of migration have evolved from predominantly political and security reasons to socio-economic forces. The skill criterion is thus becoming an ever more important qualifying factor in various migratory flows. At the same time, the share of youth involved in migration is increasing. This trend is particularly relevant for shorter-term and temporary migration, as more and more young people leave their countries of origin in search of employment abroad.

The development processes and migration in different phases are connected differently. Speaking for this connection we have 3 different types of connection such as:

- Early development: where migration opportunities are available to few (because of high material and immaterial costs);
- Middle development: where expectations increase, but there are still insufficient opportunities to effectuate them in the home country; and also, migration increases as more people can afford the costs;
- Further development: where the opportunities increase to build a viable future at home, and the need for migration decreases.

The positive consequences of (labor) migration for development are: 'remittances', though these are selective in nature); transnational activities (local effects); the transfer of skills and knowledge; and social and political influences on migrants. The negative consequences of (labor) migration for development are: a brain drain, or the loss of human capital, including highly-skilled and educated people); the social aspect, involving the disruption of family life; the export of labor which can be sensitive to economic fluctuations; and inflationary effects on local economies; the increase of local inequalities and the emergence of a 'culture of migration'.

The governance and regulation of international migration require by definition international cooperation and partnerships. The governance of migration similarly requires the international exchange of reliable and comparable disaggregated data on migration, including on migrant and refugee skills, educational attainment, employment, labor market participation, development contributions, social protection and other factors.

The Development-Migration Models and Poverty in Macedonia and other Balkan countries

Migration as a continuous process in The Republic of Macedonia is analyzed during the period of 10 years, from 2007 to 2016. According to the data of the State Statistical office of The Republic of Macedonia just 8,021 citizens emigrated from the country (See Table 1). But there are data published by the World Bank Group where The Republic of Macedonia is in the list of top 30 countries in the world for the number of citizens that have emigrated.

According to that data in Figure 2, The Republic of Macedonia in 2013 is in 25th place in the world where the number of emigrated citizens is 30.2 per cent of the population. Calculated in numbers, from a total population of 2,000,000 in The Republic of Macedonia, there are around 600,000 people that have emigrated to Europe, the USA or Australia. Analyzing the real situation it seems that the data provided by the World Bank is more accurate. According to some statistical data, the desire of citizens in Macedonia, to leave the country is much higher, at 55.1 per cent. That means that the wish to emigrate is almost twice as high the actual emigration. Because of this, it is expected that this emigration trend will continue and maybe increase in the future. But, this process is not just happening in The Republic of Macedonia. Part of this list of top emigration countries includes other Balkan countries such as: Montenegro (at 45.4 per cent) – 15th place, Bosnia and Herzegovina (at 44.5 per cent) – 16th place, Albania (at 43.6 per cent) – 17th place and Kosovo (at 30.3 per cent) – 24th place. These countries have the same problems with emigration as The Republic of Macedonia.

Because of the size of the numbers of emigration in The Republic of Macedonia, we will make an analysis of the emigrants according to the age and gender in Table 2. There, it can be noticed that there are more male citizens that have emigrated than females, and according to the age most of the citizens that are leaving the country, they are in the age range from 30-64 and 15-29. That means that the emigrants are younger and capable of working.

Speaking about the reasons for moving away most of them have listed: family reasons, employment, education, and a combination of all of these previous mentioned reasons, but some are without response (See Table 3). What is the right reason for these people? We will try to make an analysis of the economic situation of the country in order to have an answer to this question.

Most important for every household is to be able to meet basic living needs. This can be achieved by continuously receiving income. To better understand income distribution in the country which is very close to the poverty rate in that country we will use as a measurement the Gini coefficient. The Gini coefficient (sometimes expressed as the Gini ratio or the Gini index) is a measure of statistical dispersion intended to represent the income or wealth distribution of a nation's residents, and is the most commonly used measure of inequality. Calculating this index is based on measuring the inequality among values of a frequency distribution (for example, levels of income). The value of zero expresses perfect equality, where all values are the same (for example, where everyone has the same income) and the value of 1 (or 100 per cent) expresses maximum inequality among values (for example, for a large number of people, where only one person has all the income or consumption, and all others have none). In other cases, where the results for the Gini index, is the value above 50, which is considered to be high inequality; whilst the value of 30 or above is considered as the mean and a value lower than 30 is considered as low inequality.

According to the data taken from Eurostat, the base for the Gini index in Table 4 is analyzed at its value for a period covering six years, from 2011 to 2016 for The Republic of Macedonia

and the EU. The EU during these years has the same value on the Gini index of around 30 which can be interpreted as medium inequality, and in The Republic of Macedonia starting from 2011 with value of 38.5 per cent for this index, during the years it has decreased and in 2016 the Gini index has value of 33.6 per cent, which also puts the country among the group of countries with medium inequality.

From an analysis of the Gini index according to the World Bank data base for each country separately we have Table 5 where a comparison is made between The Republic of Macedonia and other Balkan countries in the period from 2010 to 2015. Here The Republic of Macedonia has higher value for the Gini index than in Table 4 and its value in 2010 was 42.8 per cent which has since decreased and in 2015 it was at 35.6 per cent. These values for the Gini index still put The Republic of Macedonia in the group of countries with medium inequality. Compared with Kosovo, Montenegro, Serbia, Bosnia and Herzegovina and Albania we can see that The Republic of Macedonia has a higher Gini index. According to the data in Table 5, The Republic of Macedonia, Montenegro and Bosnia and Herzegovina are in the group of medium inequality and Albania, Kosovo and Serbia are in group of low inequality. It shows that maybe the Gini index is not the real reason for migration, because, although the countries have low inequality of income, they are part of the top 25 emigration countries in the world (Figure 2). Also, people from these countries have emigrated to EU countries where the Gini index and inequality are medium, which means that they move to countries with the same or higher levels of inequality. It hints that something else can be the real motive and reason for emigration.

There is a big difference between the developed countries, developing countries and "third world countries". Specifically, The Republic of Macedonia like the developing countries has been too long in a period of transition and changes to society, as it transits from socialism into capitalism. This process of changes has brought about a big difference in income distribution and has deepened the gap between the rich and poor people. This bad social situation for most people was motive for moving away to developed countries in order to find better standards of living. The situation maybe will be better but this transition period has been prolonged for many years and young people have little hope of changing the present condition. Because of this , when they finish their University education or Masters degrees, and the situation remains as before they start looking some opportunities outside their own country. Some of them find an opportunity to continue their education at a higher level in one of the developed countries in the hope that they will eventually find a better job. Others are just looking for a job with a university degree. It is sad that most of the youth that are going abroad are well educated and their knowledge and skills are being used in another country instead of their native country. This problem is connected with the other social problem where for a short period of time, because of this trend of massive emigration and the "brain drain", maybe The Republic of Macedonia will have deficit of professionals in different areas, especially in medicine. This situation is similar for the other Balkan countries that have been analyzed.

For this purpose we have compared the important information for the Republic of Macedonia and the other Western Balkan countries of Montenegro, Kosovo, Serbia, Albania and Bosnia and Herzegovina in Table 6; and Bulgaria, Croatia and Slovenia in Table 7.

Given the data in Table 6 it is clear that the countries with a higher rate of unemployment and poverty ratio are experiencing a higher rate of emigration. The most interesting destinations for emigrants from the Balkan countries are European countries such as: Germany, Italy, Austria, Switzerland, France, and Sweden. In Table 7 we see Bulgaria (19.5 per cent) and Croatia (20.9 per cent), which are already part of the EU, but they still have the same trend of high emigration as other countries in Europe. Slovenia has the lowest rate of emigration at 8.3 per cent when compared with all the other Balkan countries. As member of the EU, Slovenia is a good example of a country with lower emigration, which can be seen in Table 7. As we can see there are other indicators that can influence the migration process.

Our research does not support a direct causal correlation that poverty *per se* is a key driver of migration. The poorest generally don't emigrate, unless compelled to do so by *force majeur* factors such as warfare, expulsion from the land, or environmental degradation. However, social protection, access to resources and resilience capacity provide the key to sustainability of remaining in place, as well as in ensuring a decent life for migrants.

An unexpected and surprising situation has arisen when capital does not flow from developed to developing countries, despite the existence of migration problems and the fact that in developing countries there is a lower amount of capital for each employee, and hence the income from capital injection is higher. So says the "Lucas paradox", derived by Nobel laureate Robert Lucas from the University of Chicago, who put forward this idea in his work in 1990 (Lucas, 1990). The measures of "Lucas paradox" problem solving closely correlate the solving of migration problems. A number of solutions to the Lucas paradox have been proposed in the literature: thinking of a worker in a rich country as effectively the equivalent to multiple workers in a poor country, adding human capital as a new factor of production, allowing for sovereign risk, and adding in the costs of goods trade, a poor country with an inefficient financial system but a low expropriation risk may simultaneously experience an outflow of financial capital but an inflow of foreign direct investment (FDI), resulting in a small net flow and others (International Monetary Fund, 2018). Our analysis of the Balkan countries explains that they are not very poor countries, but compared with developed countries are poorer, have higher unemployment rates, whilst these who are in works have a lower income. In essence, people are emigrating from the Balkan countries in the quest for better living conditions and life styles, which include: a good economic situation, better medical services, a transparent judicial system, political independence, legal fairness, equal treatment and security.

Conclusion

According to World Bank data, The Republic of Macedonia in 2013 was in 25th place in the world for the number of citizens who emigrated, which is 30 per cent of the population, and those wishing to leave the country is almost twice as high. Because of this it is expected that this emigration trend will continue and maybe increase in the future. But, as part of the list of top countries of emigration there are other Balkan countries such as: Montenegro – in 15th place, Bosnia and Herzegovina – in 16th place, Albania – in 17th place and Kosovo – in 24th place.

The Republic of Macedonia and other Balkan countries like developing countries have been in a period of transition for too long with the changes in society from socialism into capitalism. This process of change has engendered a big difference in the income distribution of these countries and has deepened the gap between rich and poor people. This bad social situation has motivated the desire to move away developed countries in search of better standards of living.

Our analysis of the Balkan countries explains that they are not very poor countries, but compared with developed countries are poorer, have a higher unemployment rate and those who work have lower incomes. In essence, emigration from the Balkan countries is based on the quest for better living conditions, which include: a good economic situation, better medical services, transparent judicial systems, political independence, legal fairness, equal treatment and security. Because of these variables that influence emigration process for analyzing emigration is very complex.

The most popular destinations for emigrants from the Balkan countries are European countries such as: Germany, Italy, Austria, Switzerland, France, and Sweden. Bulgaria and Croatia, although they are part of the EU, still have a tendency towards higher emigration, but Slovenia, also, as member of EU, is a good example of a country with lower rates emigration.

For countries at all levels of development, developed infrastructure, high quality of institutions, capital market performance, protection of investments and an adequate supply of jobs are the foundation of sustained prosperity and economic and social inclusion. Access to decent jobs for all is key to helping people pull themselves out of poverty, reducing income inequalities and achieving social cohesion and one of the ways in which the migration problem can be solved.

The markedly different patterns of international capital mobility during the historical and the modern era can be explained within an extended Lucas framework that combines "unproductive capital" and "capital market failure" views.

The governance and regulation of international migration require by definition international cooperation and partnerships. Important strategic and technical cooperation, training and capacity building on migration governance and management should be provided by the EU

and Eurasia international aid joint programs and agreements. Increasing attention should be focused on supporting regional capacities to obtain, analyze, exchange internationally, and apply reliable and comparable migration and labor migration data and measures to develop policy and administration.

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Tables:

Table 1: *Number of emigrated citizens of The Republic of Macedonia*

International migration	**2007**	**2008**	**2009**		**2011**	**2012**	**2013**	**2014**	**2015**	**2016**
Emigrated citizens of The Republic of Macedonia	224	740	769	923	1143	1330	945	740	767	440

Source: State Statistical Office of The Republic of Macedonia

Table 2: *Emigrated citizens of The Republic of Macedonia abroad by gender and age*

		Gender			Age		
Year	Total	males	females	age 0 – 14	age 15 – 29	age 30 – 64	age 65 and over
2007	224	130	94	34	81	95	14
2008	740	414	326	84	271	385	27
2009	769	425	344	79	215	430	45
2010	923	540	383	68	247	545	63
2011	1143	608	463	68	213	771	91
2012	1330	708	622	37	204	912	177
2013	945	522	423	31	189	586	139
2014	740	436	304	30	173	415	122
2015	767	427	340	43	219	393	112
2016	440	225	215	30	140	219	51

Source: State Statistical Office of The Republic of Macedonia

Table 3: *Emigrated citizens of The Republic of Macedonia abroad by reasons for moving away*

			Reason	for	moving	away		
Year	Total	employ-ment	marriage	family reason	educa-tion	all	without response	un-known
2007	224	46	9	123	2	44	44	16
2008	740	174	73	372	13	108	104	4
2009	769	184	88	338	35	124	124	0
2010	923	192	77	300	30	324	318	6
2011	1143	314	119	497	26	187	185	2
2012	1330	247	101	614	32	336	336	0
2013	945	127	65	383	19	351	342	9
2014	740	85	42	292	14	307	306	1
2015	767	83	54	263	18	349	346	3
2016	440	43	36	78	6	277	275	2

Source: State Statistical Office of The Republic of Macedonia

Table 4: *Gini index for The Republic of Macedonia and EU according to Eurostat*

Gini index in %	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**
EU (28)	30.8	30.5	30.5	31.0	31.0	30.8
Macedonia	38.5	38.8	37.0	35.2	33.7	33.6

Source: Eurostat: http://ec.europa.eu/eurostat/tgm/table.do?tab=table&language=en&pcode=tessi190

Table 5: *Gini index for The Republic of Macedonia and other Balkan countries to World Bank*

Gini index in %	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**
Macedonia	42.8	40.2	40.1	38.5	36.9	35.6
Kosovo	33.3	27.8	29.0	26.3	27.3	26.4
Montenegro	28.9	30.8	32.3	32.4	31.9	-
Serbia	29.0	-	-	29.0	-	28.5
Bosnia and Herzegovina	-	33.0	-	-	-	32.7
Albania	-	-	29.0	-	-	-

Source: World Bank: https://data.worldbank.org/indicator/SI.POV.GINI

Table 6: *The Republic of Macedonia and other Balkan countries by World Bank*

	Macedonia	**Montenegro**	**Kosovo**	**Serbia**	**Albania**	**Bosnia and Herzegovina**
Population	(2014) 2.1 millions	(2013) 621.8 thousands	(2014) 1.8 millions	(2014) 7.1 millions	(2014) 2.9 millions	(2014) 3.8 millions
Labor force	(2013) 952.7 thousands	(2013) 251.7 thousands	/	(2014) 3.1 millions	(2014) 1.3 millions	(2014) 1.5 millions
Unemployment rate (% of labor force, 2014)	27.9	19.1	/	22.2	16.1	27.9
Stock of emigrants, 2013:	626.3 thousands	281.8 thousands	550.0 thousands	1,292.9 thousands	1,264.2 thousands	1,699.9 thousands
Stock of emigrants as percentage of population, 2013:	30.2	45.4	30.3	18.0	43.6	44.5
Top destination countries, 2013:	Germany, the U.S., Turkey, Italy, Switzerland, Australia, Serbia, Austria, Croatia, Slovenia	Serbia, Turkey, Croatia, Germany, the U.S.A., Austria, Luxembourg, Macedonia, Albania, Italy	Germany, Switzerland, Italy, Slovenia, Austria, the U.S.A., France, Sweden, the U.K., Belgium	Germany, Austria, Switzerland, Croatia, the U.S.A., Turkey, France, Italy, the Netherlands, Australia	Greece, Italy, the U.S., Germany, Macedonia, Montenegro, the U.K, Canada, France, Belgium	Croatia, Serbia, Germany, Austria, the U.S.A., Slovenia, Sweden, Switzerland, Australia, Canada
Poverty headcount ratio at national poverty line (% of pop.):	(2010) 27.1	(2013) 8.6	(2011) 29.7	(2011) 24.6	(2012) 14.3	(2011) 17.9

Source: The World Bank Group, Migration and Remittances, Factbook 2016, 3rd edition

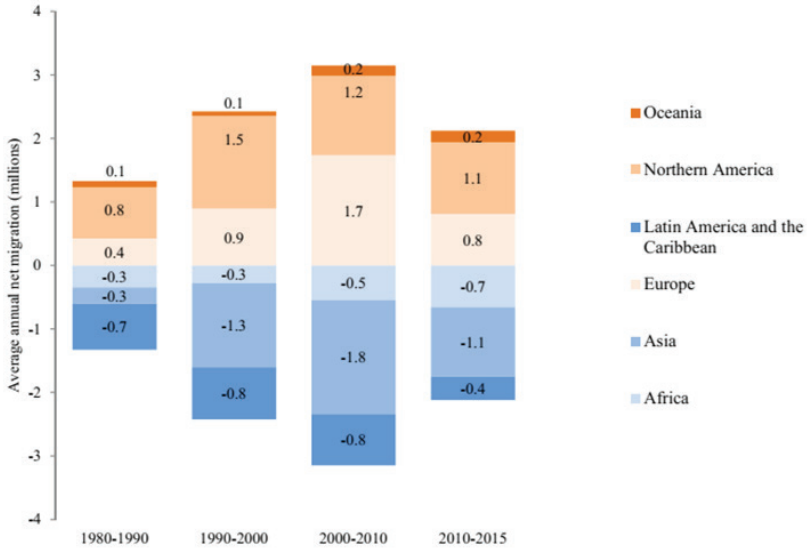
Table 7: *EU members Balkan countries by World Bank*

	Bulgaria	**Croatia**	**Slovenia**
Population	(2014) 7.2 millions	(2014) 4.2 millions	(2014) 2.1 millions
Labor force	(2014) 3.3 millions	(2014) 1.8 millions	(2014) 1.0 millions
Unemployment rate (% of labor force, 2014)	11.6	16.7	9.5
Stock of emigrants, 2013:	1,416.6 thousands	888.2 thousands	171.3 thousands
Stock of emigrants as percentage of population, 2013:	19.5	20.9	8.3
Top destination countries, 2013:	Turkey, Spain, Germany, the U.S.A., the U.K., Italy, Greece, Belgium, Canada, Romania	Serbia, Germany, Australia, Slovenia, Canada, the U.S.A., Austria, Italy, Switzerland, Albania	Croatia, Germany, Austria, Serbia, Canada, the U.S.A., Australia, Switzerland, Italy, France
Poverty headcount ratio at national poverty line (% of pop.):	(2013) 21.0	(2012) 19.5	(2012) 14.5

Source: The World Bank Group, Migration and Remittances, Factbook 2016, 3rd edition

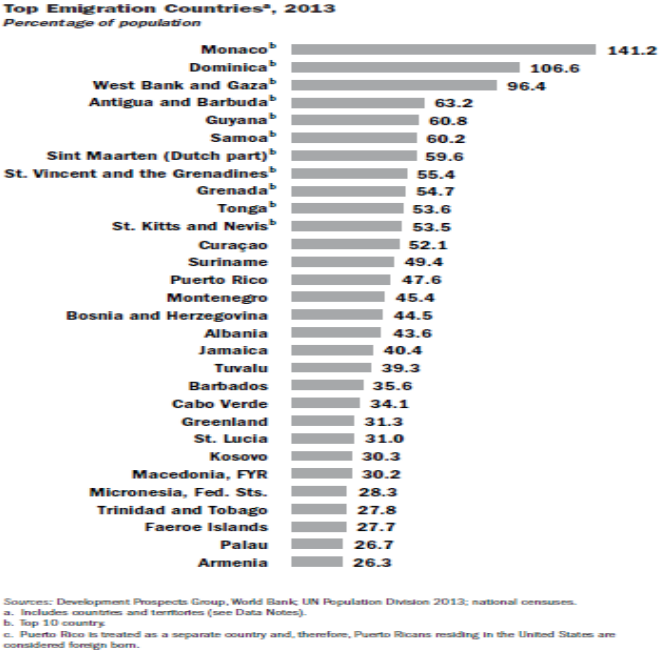
Figures:

Figure 1: *Average annual net migration by regions*



Source: United Nations, Department of Economic and Social Affairs, Population Division (2017). *World Population Prospects: The 2017 Revision*. New York: United Nations.

Figure 2: *Top emigration countries in the World, 2013*



Source: The World Bank Group, Migration and Remittances, Factbook 2016, 3rd edition, p. 4

The Exodus of Skilled Workers from Macedonia – Looking to Bulgaria's Business Process Outsourcing as a Possible Solution

Maja Mihajlovska

Abstract

The aim of this paper is to explore the problem of the emigration of young, skilled workers from the Republic of Macedonia and to consider a possible solution, being, to emulate Bulgaria's successful business process outsourcing (BPO) sector. The importance of this issue derives from the notion of the economic development of the Western Balkans as a key component of the European integration process. Yet, challenges to doing business in the region abound, and impede the economic development of these countries. The methodology employed in this paper is chiefly the case study approach, focusing on Macedonia. Quantitative analysis of statistical data was also utilised. This paper considers that whilst Macedonia has seen an increase in foreign investment in the last decade, somewhat reducing unemployment, the private sector will never truly flourish unless certain challenges are overcome. Challenges persist in many areas, including: transport infrastructure, enforcement of contracts, and administrative processes, as well as the availability of a skilled workforce. Employers encounter challenges in finding skilled employees. Macedonia faces the same problem as many other countries in the region, whose talented youth migrate to developed countries seeking well-paid employment. A solution may lie in adopting the success model of another South Eastern European country, Bulgaria. Since the early 2000s, many companies have outsourced business processes to Bulgaria, which has created thousands of well-paid jobs for skilled professionals. Bulgaria offers foreign investors many benefits to doing business, including low overheads and a skilled workforce. Macedonia can provide similar benefits and has much untapped potential in this area. Fostering an improved environment for outsourcing business processes to Macedonia, will boost the number of white-collar jobs, reducing the exodus of skilled workers. This will be an important step to enhancing economic development within Macedonia, thus aiding it on the path to European integration.

Key words: skilled workforce, doing business, challenges, outsourcing.

1. Introduction

One in two young people in the Republic of Macedonia would "...consider a life in another country, mostly due to financial reasons" (Topuzovska Latkovic et al, 2013, p. 66). Many young, skilled workers, disheartened by their employment prospects in Macedonia, are leaving or planning to leave their homeland, seeking a better life and improved career opportunities elsewhere. This continued mass emigration of skilled workers paints a bleak picture for the future of this country's labour force; in turn raising serious concerns about Macedonia's economic stability in the mid to long-term.

Similarly to the other Western Balkans countries (namely, Albania, Bosnia and Herzegovina, Kosovo, Montenegro and Serbia), the economic development of Macedonia is an important part of its European integration process. Yet, Macedonia continues to face major challenges in this area, in particular, challenges to doing business, which are hindering its economic development. Foreign companies seeking to establish new or develop existing businesses in Macedonia face obstacles that impede business development and in turn the competitiveness of this country both within Europe and internationally.

In view of the increasing demand for skilled labour, perhaps the greatest challenge for businesses is finding skilled workers (World Bank Group, 2014). However, the continued mass emigration of young, educated workers from Macedonia is a strong indicator that this problem will only worsen in the future, where businesses will encounter even greater difficulties in filling new job vacancies with skilled labour. This presents a critical problem for Macedonian business, and hence the country's economic development, an issue which must be addressed before it develops into an insurmountable crisis.

This paper will explore the issue of the mass emigration of young, skilled workers from Macedonia and will examine a possible solution, being, to emulate Bulgaria's approach of developing a successful business process outsourcing (BPO) sector. First, the paper will provide a background, by briefly outlining some key challenges for businesses in Macedonia. Second, the analysis will focus upon what is perhaps the single most significant mid to long-term concern for business, namely the problem of the emigration of skilled workers from Macedonia. Third, the paper will explore, in detail, a possible solution for tackling this growing problem of retaining skilled workers, by investigating the option of adopting the success model of another South Eastern European country, Bulgaria. Since the early 2000s, many companies have outsourced business processes to Bulgaria, creating thousands of well-paid jobs for skilled professionals (InvestAgency Bulgaria, 2017). The analysis will consider the many benefits that Bulgaria offers foreign investors in doing business, including low overheads, low taxes as well as a skilled workforce. Finally, the paper will examine the implications of Bulgaria's success for Macedonia, and how it could perhaps emulate that success by developing its own sizeable BPO sector, in order to combat the problem of the

mass emigration of skilled workers, which threatens to render a significant shortage in the country's future workforce. Fostering an improved environment for outsourcing business processes to Macedonia, would increase the number of higher remunerated jobs, thus reducing the emigration of skilled workers. This could be an important step to enhancing economic development within Macedonia, thereby aiding it on the journey to European integration.

2. The Challenges

Macedonia must overcome a number of challenges in order to build upon its reputation as an attractive investment destination (PricewaterhouseCoopers International Limited, 2014, p. 6). According to a PricewaterhouseCoopers (2014) report, challenges to doing business include day-to-day issues such as the enforcement of contracts, lengthy administrative processes and transport infrastructure. Challenges in the practical application of financial reporting laws must also be addressed (p.36). Akin to the rest of Eastern Europe, Macedonia could benefit from public policy changes that engender "...a more supportive environment for the growth of good business..." by addressing issues such as "...red tape, transparency, [and] law enforcement..." (Mirow, 2010). Macedonia has seen marked improvement in these areas, being cited as one of the top destinations for the ease of doing business, and ranking highly for indicators such as registering a company (World Bank Group, n.d.).

The political environment in recent years, has been a major impediment to fostering a positive investment climate and this issue has not gone unnoticed by the business community. The Balkan Investigative Research Network has emphasised the need for "...political stability that will attract investors and the jobs that will stop so many young people emigrating" (Byrne, 2017). Another political challenge, is the ongoing name dispute with Greece, which is impacting "...Macedonia's international relations..." (PricewaterhouseCoopers, 2014, p. 6), importantly, its EU accession. Yet, these political impediments are diminishing. The political unrest following the December 2016 parliamentary elections, subsided once the new Government formed in June 2017, and political stability has been steadily improving since then. Negotiations on the resolution of the name dispute with Greece are intensifying, and with key officials such as European Union Enlargement Commissioner, Johannes Hahn asserting that the EU will recommend the commencement of accession talks for Macedonia most likely by the 2018 summer (Speciale, 2018); it appears that this country's political future is beginning to move on a decidedly positive trajectory.

Other challenges to doing business include those identified in a 2018 World Bank Group report, which concludes that the educated system is inadequate in producing workers with skills required by the labour market. There is a clear skills mismatch, where many new businesses cannot find adequate employees for positions requiring higher level and technical skills, an obstacle to business development (World Bank Group, 2014).

3. The Problem

The mass emigration of young, skilled workers is a problem which is worsening and could pose a serious crisis for the Macedonian economy in the mid to long-term. This is an ever-increasing problem because of the growing demand for skilled labour in Macedonia, where many new jobs created through foreign investment are non-manual, with 51.9 per cent of all employment being in the services sector (World Bank Group, 2014, p.9). So, this country's economic development and competitiveness depends upon being able to provide current and new businesses investing in Macedonia, with a critical mass of skilled workers both now and in the future.

However, Macedonia shares a similar predicament to many other Eastern European countries, whose talented youth migrate to the West (Mirow, 2010) seeking better remunerated employment. Therefore, these future skilled workers will be unable to fill new job vacancies created through foreign investment, which could be disastrous for the economy in the long-term. Macedonia's youth are emigrating primarily due to their dissatisfaction with the career opportunities currently available and their pessimistic outlook for their financial and professional future in this country.

3.1 The demand for skilled labour:

According to a recent report, employees with higher level skills are increasingly sought after (World Bank Group, 2014, p. 9).

3.1.1 The Jobs-Skills Mismatch:

However, in Macedonia, businesses express concerns about the availability and quality of employees' skills (World Bank Group, 2014, p.7), and in particular, difficulties in hiring workers for high to medium-level jobs that have been newly created (p. 8). This country's skilled labour shortage is a significant impediment for business and Macedonia's "...overall competitiveness" (World Bank Group, 2014, p. 8). Therefore, to improve both the performance of Macedonia's labour market and its economic competitiveness, "...will require a more skilled and better educated labor force..." (p. 7).

3.2 The emigrating workforce:

This skills shortage and jobs-skills mismatch will only worsen if young, skilled workers continue to leave Macedonia and this appears highly likely. A comprehensive study conducted by the Friedrich Ebert Stiftung (FES) surveyed young people aged 15 to 29 in Macedonia, on their views, aspirations and future plans. The FES research is based on a German study "which

shows that young people can be an indicator of future trends in society and the long-term prospects of the country" (Topuzovska Latkovic et al, 2013, p.5). Hence, the views expressed in the FES study may foreshadow the long-term future of Macedonia's workforce. The FES study reveals some alarming data, namely that over half of the respondents intend to leave Macedonia, where 22 per cent have decided to leave the country and another 31 per cent are seriously considering the prospect (Topuzovska Latkovic et al, 2013, p. 56).

3.3 Why they are leaving:

Macedonia's youth are leaving their country mostly (in 65 per cent of cases) for financial reasons (Topuzovska Latkovic et al, 2013, p. 56). Many believe that the greatest problems in Macedonian society are economic, such as unemployment and poverty (p. 122), and a staggering 71 per cent have a negative assessment of the country's general economic situation (p. 122).

These concerns are not unfounded. 70 per cent of young people between 15 and 29 years of age, are unemployed (Topuzovska Latkovic et al, 2013, p. 93), and of those who are employed, only 28 per cent are working in the field in which they had completed their education (p. 93). Whilst this unemployment rate is immense, it is also important to consider the fact that a large proportion, that is 56 per cent (Topuzovska Latkovic et al, 2013, p.68) are undertaking some form of education or training, whether that be completing their secondary or tertiary (Bachelors, Masters or Doctoral) studies. This has two positive implications. One, upon completing their education, it will allow them more time to undertake full-time employment, and two, their employment prospects are expected to dramatically improve due to the attainment of formal qualifications, where a World Bank Group (2014) study confirms that skilled workers have a distinct advantage in the workforce.

However, the available data for the general employed population does not indicate a promising economic and professional future for Macedonia's youth. For example, an assertion that the unemployment rate in Macedonia is concerning, would be a severe understatement. Although it has been reduced from 33.8 per cent in 2008 (PricewaterhouseCoopers, 2014, p. 33), the official unemployment rate is still fairly high overall at 30 per cent (p. 13).

It is a well-known fact that wages in Macedonia are low, particularly in comparison with other European countries. The average net monthly wage in the European Union for 2017 was 1,520 euros (Fischer, 2017), whereas the Macedonian average wage is 24,025 denars (or approximately 390 euros) according to the most recent statistics available (Republic of Macedonia State Statistical Office, 2018). Research shows that differences in wages are crucial in migration decisions (Noja Gratiela & Moroc, 2016), thus it is clear why many young people would be enticed by significantly higher wages in Western Europe.

However, wage comparisons alone cannot provide a holistic representation of the overall financial situation of the typical Macedonian worker. Yet, taking into account the cost of living, as well as Purchasing Power Parity (PPP), allows for a more comprehensive insight. For example, the most recent data as of August 2017 (Faktor, 2018) shows that the average monthly cost of living (excluding rent) in Macedonia was 32,316 denars whereas the average net monthly salary was only 22,912 denars (Vesti, 2018). This is a gap of 9,404 denars, or in other words, the average salary is 29.1% short of the average cost of living.

It must nevertheless be noted that these figures do not take into account the so-called informal economy (PricewaterhouseCoopers, 2014, p. 13) where workers are paid in cash, hence official data thereof is not easily obtainable. Regardless of this, the available employment statistics are unequivocal in attesting to the low standard of living of the average Macedonian household.

The PPP method is another useful method for measuring living standards. To compare the purchasing power of populations in different countries, the gross disposable income of households is calculated using PPP and adjusted to take into account various factors (including taxes). This produces an artificial figure known as the adjusted gross disposable income (or the GDP per capita, PPP). Macedonia's GDP per capita in 2016 was only 14,942.2 in adjusted $US, lower than the world average (The World Bank, 2016) and only two-thirds of the EU average of 21,903 (Eurostat, 2016).

3.3.1 Pessimistic outlook:

It is therefore no surprise that many young people have a pessimistic outlook for their professional future in Macedonia, where 65 per cent do not expect to be able to find a job after completing their education (Topuzovska Latkovic et al, 2013, p. 79). Further, it is concerning that a high proportion of young people believe that non-merit based factors, such as family or political connections, influence their employability (p.93), alluding to a sense of hopelessness that these young people feel regarding their prospective careers in Macedonia. Current employment opportunities coupled with the general pessimistic outlook of young workers for their future in this country, enhances the likelihood of these workers emigrating in order to seek a better life elsewhere. Yet, without these workers, the private sector cannot fill skilled vacancies, in turn impeding business development, all of which foreshadows a bleak future for Macedonia's economy.

4 A Possible Solution

In order to encourage young, skilled workers to stay and pursue their careers in Macedonia, requires the accelerated creation of new jobs. However, it is not merely the quantity, but rather the quality of such employment opportunities, which is gaining in importance, as these

educated workers seek professional roles in which they can both utilise their skills and where they will be motivated by satisfactory wages.

A possible solution to this problem may lie in increased foreign direct investment (FDI), through business process outsourcing (BPO). The BPO market in Europe is developing rapidly, where nearly one third of the top 100 international outsourcing companies are now located in Central and Eastern Europe (Expo Media Agency, 2018). Central Europe offers a workforce at half the cost of Western Europe and this cost advantage increases further in Eastern Europe, with the Balkan countries becoming an ever more viable outsourcing location (InvestAgency Bulgaria, 2017; Expo Media Agency, 2018).

Bulgaria, has seen remarkable success in the BPO sector and in order to achieve this, political stability, as discussed, is one important factor, however it is insufficient. Macedonia, an EU candidate since 2005 (European Commission, 2016), recently (during the last year) experienced improved political stability. Yet, more must be done to increase FDIs. In the BPO sector, Bulgaria has been attracting FDIs, at least since the early 2000s, long before its EU accession in 2007 (European Union, 2018). Thus, for Macedonia, emulating its neighbour's success in this sector may enable it to curb the emigration of its own young, skilled workers.

4.1 Bulgaria's BPO Experience:

Bulgaria is arguably Eastern Europe's greatest BPO success story. Since the early 2000s, many companies have outsourced business processes to Bulgaria, which has resulted in the creation of thousands of new jobs for skilled professionals. The BPO sector in Bulgaria, which serves clients from Western Europe and North America, grew to over 15,000 employees in 10 years and generates over 200 million euros in revenue (InvestAgency Bulgaria, 2017, p.4, p. 16).

Bulgaria offers a range of benefits to foreign investors seeking to outsource their services. The cost of doing business is low, with special incentives for investors, the rent of prime office space is only 12 euros per square metre (InvestAgency Bulgaria, 2017, p. 35), and corporate tax rates are a favorable 10 per cent (Bulgarian Outsourcing Association, 2015). Bulgaria has a highly efficient internet infrastructure, with download and upload speeds superior to countries such as Germany, Austria, the United Kingdom and the United States (InvestAgency Bulgaria, 2017, p. 38). Its political stability and strategic location are additional factors conducive to the smooth running of business (Bulgarian Outsourcing Association, 2015).

Bulgaria has a highly qualified and cost effective workforce, and is thus particularly well placed for BPO sector growth. The sector already serves clients internationally in over 25 languages, and each year, about 15,000 students commence a university degree in foreign languages (InvestAgency Bulgaria, 2017). Bulgaria became an important outsourcing destination during the early 2000s. Since then, it has attracted numerous multinational companies looking to

outsource their business processes. According to a report by InvestAgency Bulgaria (2017), one of the first BPO companies established in Bulgaria was Data Processing, in 1999, and with 290 employees, it provides knowledge process outsourcing (including information services and data processing). 546 personnel are employed at Sitel, established in 2006, which provides technical support, customer care, finance, administration, and back office services (InvestAgency Bulgaria, 2017).

As set out in the InvestAgency Bulgaria (2017) report, Hewlett Packard opened offices in 2006 in Bulgaria and has over 3,500 staff working on customer interaction services, information technology and software operations. IBM was established a year later, with its 530 workers providing customer relationship management, finance, and administration services, as outlined in the 2017 report. Other companies, include 60K, established in 2008 with 360 employees, who are specialised in customer interaction services and back office transactions, according to InvestAgency Bulgaria (2017). Call Point, opened its Bulgarian offices in 2004, and employs 550 professionals who utilise their multilingual skills to provide services in finance, accounting and transformation solutions (InvestAgency Bulgaria, 2017).

The growing BPO sector in Bulgaria has greatly benefited the country's skilled workforce, creating a large number of highly remunerated jobs for young professionals as well as opportunities for career development. Many of these jobs are contact or call centre positions that require fluency in at least one foreign language. Salaries in the sector are high, all of them well above Bulgaria's average of 406 euros per month (Fischer, 2017). The salaries of trained agents working in shared services centres in Sofia, range from around 500 euros per month for English-speaking agents, for agents who speak French, German, Italian, Spanish, Russian or Turkish, up to 800 euros and for agents fluent in Nordic languages, Portuguese, Czech, Romanian, Polish, Hungarian, Greek, or even Mandarin, up to 1000 euros per month (InvestAgency Bulgaria, 2017, p. 31). The sector also stands to benefit from the expected return of 80,000 young Bulgarians undertaking university studies abroad, who intend to pursue their careers in their home country (InvestAgency Bulgaria, 2017).

The outsourcing industry is playing a key role in strengthening Bulgaria's economic growth. The vision of the Bulgarian Outsourcing Association (2015), is to make outsourcing the leading industry in Bulgaria. It is succeeding, as the sector has grown for seven consecutive years; in 2014, the sector made up 2.8 per cent of Bulgaria's gross domestic product (GDP), 3.4 per cent in 2015 and 3.6 per cent in 2016 (Bulgarian Outsourcing Association, 2017). This growth is enabled through a number of factors: the availability of skilled labour, co-operation between business and education institutions, and favourable tax policies (Bulgarian Outsourcing Association, 2017). Bulgaria's outsourcing sector continues to flourish, with most BPO firms projecting a 100 per cent increase in the market (InvestAgency Bulgaria, 2017). It is predicted that 76 per cent of new contracts will derive from English and German-speaking countries; with the most sought after services expected to be call centre operations, customer support and market research (InvestAgency Bulgaria, 2017).

5 Implications for Macedonia

5.1 Developing its own BPO sector:

Bulgaria's success in the BPO sector has significant implications for the approach Macedonia should take in addressing its own predicament of the mass emigration of young, skilled workers. Whilst foreign investment in Macedonia has somewhat reduced the unemployment rate over the last decade (PricewaterhouseCoopers, 2014), many of the jobs that have been created provide workers with very low wages. Those wages are not only unsatisfactory in comparison with the average European Union wage, they also fail to cover the average cost of living, as discussed. In this vein, action must be taken in order to effectively curb, what could rightly be described as the exodus of young, skilled workers, who are seeking a better life outside of Macedonia; and this requires a more innovative approach than simply increasing the quantity of low-paid manual jobs. Clearly, as seen with Bulgaria's success story, developing a sizeable BPO sector could be the most efficient method to generate appropriate employment that will provide educated workers in Macedonia with the opportunities to utilize their skills as well as ensuring higher wages. Consequently, this country will be able to retain these workers for the long-term, thereby fuelling the future development of the economy.

5.2 Benefits Macedonia can offer:

With a "...developing reputation as a new and growing investment destination" (PricewaterhouseCoopers, 2014, p. 6), Macedonia should emulate Bulgaria's approach in the creation of jobs through the development of a sizeable and successful BPO sector, because Macedonia can offer similar benefits to investors wishing to outsource their services. Some of these advantages include low costs, favourable business conditions, special incentives as well as a skilled workforce.

Macedonia offers investors low business costs. Corporate taxes are only 10 per cent (Byrne, 2017) and the rent of office space in Skopje's central business district ranges between 5 and 10 euros per square metre (Century 21 Macedonia, 2018). Globally, Macedonia's favorable business conditions have earned it a World Bank ranking of 11, out of 190 countries on the ease of doing business (The International Bank for Reconstruction and Development, 2011, p. 4). Macedonia performs well based upon all business indicators including starting a business, dealing with construction permits, registering property, getting credit and trading across borders (The International Bank for Reconstruction and Development, 2011). Regionally, out of 22 Balkan cities, Macedonian cities rank highly on all four indicators for ease of doing business. Skopje ranks first in the region for starting a business, and second for ease of dealing with construction permits, whereas Bitola takes third place for ease of

registering a property, as does Tetovo for the ease of enforcing contracts (The International Bank for Reconstruction and Development, 2011, p. 1).

Like Bulgaria, Macedonia offers special incentives for investors. For example, eligible companies operating in Technological Industrial Development Zones, which have been established in a number of cities including Skopje, Stip and Tetovo, enjoy special incentives such as a developed infrastructure and significant tax exemptions (Agency for Foreign Investments and Export Promotion of the Republic of Macedonia, 2017, p. 2).

Similar to its neighbor, Macedonia, can still offer BPO investors a skilled labor force. The proportion of young people between 20 and 24 years old that have an upper secondary level of education or higher is 86.4 per cent, above the EU average (Eurostat – Enlargement countries, 2016). Additionally, over 41 per cent of the Macedonian population is enrolled in tertiary studies (The World Bank, 2015). Data concerning the language proficiency of the population is scarce. However, it is known that a vast majority of the population speak English, with many also fluent in German and French (Agency for Foreign Investments and Export Promotion of the Republic of Macedonia, 2017), language skills are highly sought after by businesses. Clearly, Macedonia is well placed to provide services for a sizeable BPO sector.

5.3 Recommendations:

Considering the many benefits that Macedonia could provide to prospective BPO investors, the question that inevitably arises is, what should be done to realize BPO success?

Macedonia must target companies that are specifically interested in investing in service industries, rather than manual labor or production. This is because, as seen with Bulgaria, BPO jobs provide higher wages and better career opportunities, and are thus more likely to curb workforce emigration.

There has already been some outsourcing success in the information technology (IT) industry, with the creation of 20,000 jobs in this sector (Byrne, 2017). Wages are high, with the average IT professionals earning 52,908 denars (Republic of Macedonia State Statistical Office, 2018), well above Macedonia's current overall average wage of 24,025 denars. Nevertheless, IT is only one industry and Macedonia has the capacity to provide a vast range of business services for companies seeking a potential outsourcing destination. The author can vouch from her own professional experience that there are a number of small companies, which are already beginning to provide a variety of services for the Western European market in German, French, English and Spanish. These services include executive search and recruitment, contact centre services, marketing, market research and sales. However, many of these companies struggle to secure long-term projects (and hence to guarantee a stable stream of income) for their employees and therefore experience a high level of staff turnover.

Yet, as noted, these assertions are based upon the author's own experience; thus, in order to provide thorough, comprehensive, and unbiased data on the current situation, a large-scale research study (which would require significant resources, both in terms of funding and personnel) is necessary. Such research would provide a solid basis for developing a strategic and detailed approach as to the precise steps that must be taken to develop a successful BPO sector. In any case, it is essential that Macedonia adopts a co-ordinated and systematic approach to actively target BPO investors.

There are a few bodies that promote investment. One example is Outsource to Macedonia (2018), which, despite its name, operates as more of an employment agency, whereas axeltra (2018) focuses only on outsourcing in the IT industry. The Invest in Macedonia campaign (Agency for Foreign Investments and Export Promotion of the Republic of Macedonia, 2017) has also made concerted efforts to attract foreign investment.

However, what is required is one body specifically targeting BPO investors, with a comprehensive approach that promotes the outsourcing of services in a range of industries. This body must be adequately resourced, through support from the Macedonian Government, the private sector and preferably the European Union. What is envisioned is a co-ordinated and systematic body similar to the Bulgarian Outsourcing Association (BOA). The BOA is an association funded by the Bulgarian Government and the European Union, whose members comprise a range of multinational corporations including Hewlett Packard, universities, and strategic partners such as Colliers, an international real estate company (Bulgarian Outsourcing Association, 2015). The BOA actively networks, organising a range of regular conferences and events as well as initiatives such as working groups on business ethics and human resources for its members (Bulgarian Outsourcing Association, 2015). In this way, the BOA constantly strengthens ties with its existing contacts and continually forms business relationships with new companies, thereby expanding its contact base; all of which improves opportunities for attracting new investment in the BPO sector. Perhaps a Macedonian Outsourcing Association could be the first step toward the development of a successful BPO sector in Macedonia.

Conclusion

Macedonia's young, skilled workers are continuing to emigrate *en masse*, seeking better job opportunities elsewhere, which is hindering this country's economic development. Yet, an important part of Macedonia's European integration, is overcoming challenges to economic development, in particular, challenges to doing business. Whilst many of these obstacles, including those of a regulatory, administrative and political nature, have already seen significant improvement or appear very likely to be resolved, the same cannot be said for the emigrating workforce, a problem which is worsening.

Businesses in Macedonia encounter great difficulties in finding skilled workers. Many of these workers, disillusioned by their unsatisfactory employment conditions and prospects in Macedonia, aspire to a better life in the West. If this emigration trend continues, employers will be unable to fill new vacancies with the required skilled labour, which seriously threatens Macedonia's economic development and competitiveness. Perhaps developing a successful BPO sector, as Bulgaria has done, could be the solution to retaining these workers, offering them improved career opportunities and better remunerated employment. A co-ordinated and systematic approach is required to target investors in order to develop a sizeable BPO sector that will retain Macedonia's skilled workforce for the future.

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