In times of crisis, a flood of bad news coming from the world, from EU and from the Balkans, good news is this book. It gives us new insight to cooperation among the countries of the region which has been for many years neglected in prevailing aspirations of all members of the ‘Balkan’ club for EU membership. Thanks to editors we have an impressive collection of papers offering new insights in the development in the region in vast diapason of issues covering many countries of the region as well as different issues from foreign policy to agriculture and institutions and EU as a global actor for instance.

As editors of this book noted, “due to their similarities and mutual ties, post-Yugoslav countries have much to learn from each other’s experiences with European integrations. Apart from that, in their experiences, there are lessons for the EU to take in order to get through the current fatigue in its policies towards the Western Balkans.” I would like to emphasise this last part of the lessons since one of the threats EU is facing is disintegration. UK is threatening to leave the Union. Instead of development convergence we see divergence. Even though it seems that economic reasons for staying in could prevail they were not strong enough to keep Yugoslavia together, although many thought so. Therefore EU should look into Yugoslav experiences to address on time why dissatisfaction of the population in many countries, in fact majority of members with the EU integration, and what were the reason for the disintegration of the Yugoslavia. Some seeds of such disintegration factors can be found also in EU; erosion of the position of smaller new members, divisions on the North and South, less and more developed parts of the Union and all conflicts thereof.

From the review of the book, written by prof. dr. Marjan Svetličič.
LESSONS LEARNED FOR THE EUROPEAN UNION: A REFLECTION ON STRONGER CO-OPE-RATION IN THE WESTERN BALKANS FOR A BETTER EUROPEAN FUTURE
Selected proceedings of the events organised by the AcadEU in the period 2013-2014

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CONTENTS

EDITOR’S NOTE ............................................................................................................................... 7
PREFACE ...................................................................................................................................................................... 9
EDITOR’S INTRODUCTION ................................................................................................................................. 11
  What has the post-Yugoslav space learned about the EU and what does the EU have to learn about the post-Yugoslav space? ...................................................................................... 11

I. EUROPEANIZATION OF THE FOREIGN POLICY ...................................................................................... 15

FOREIGN POLICY CHANGE IN NEW STATES: A COMPARATIVE FOREIGN POLICY ANALYSIS OF POST-YUGOSLAV STATES .......................................................................................... 17
  Introduction .......................................................................................................................................................... 17
  Theoretical considerations and conceptualisation ............................................................................................... 20
  Operationalisation and methodology .................................................................................................................. 24
  Potential individual cases for subsequent comparative research ........................................................................ 26

SMALL STATES, IDENTITY AND EUROPEANISATION IN THE WESTERN BALKANS:
AN ANALYSIS OF SERBIA’S FOREIGN POLICY AFTER 2000 ........................................................................... 31
  Introduction .......................................................................................................................................................... 32
  Analytical framework .......................................................................................................................................... 38
  The europeanisation of Serbia’s foreign policy after 2000 – an uneven path .................................................. 39
  Discussing small state identity and Serbia’s foreign policy ............................................................................... 42

II. EU AS A GLOBAL ACTOR ......................................................................................................................... 47

THE ISSUE OF CLIMATE CHANGE IN THE EU-RUSSIA RELATIONS ................................................................ 49
  Introduction .......................................................................................................................................................... 50
  Framing the analysis .......................................................................................................................................... 51
  The EU-Russia institutional framework ................................................................................................................ 53
  Climate change in the EU-Russia relations in the 1990s .................................................................................. 56
  Climate change in the EU-Russia relations during the first Putin’s era ......................................................... 58
  Climate change in the EU-Russia relations during Medvedev’s term ......................................................... 62
  Climate change and common spaces .................................................................................................................. 63
  Climate change and the partnership for modernisation ...................................................................................... 66
  Climate change in the EU-Russia energy relations and the northern dimension ........................................... 67
  Climate change in the EU-Russia relations beyond 2012 .............................................................................. 68
  Conclusion .......................................................................................................................................................... 69

A BREAKTHROUGH FOR THE EU’S MEMBERSHIP IN INTERNATIONAL ORGANISATIONS:
THE PROSPECTS AND CHALLENGES OF THE EU’S MEMBERSHIP IN FAO ........................................... 77
  Introduction .......................................................................................................................................................... 78
  The status of the EC in the FAO before 1991 ...................................................................................................... 79
  The REIOs’ membership in the FAO .................................................................................................................... 82
<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Declaration of competence</td>
<td>83</td>
</tr>
<tr>
<td>The EC/EU as a member of the FAO – the voting rights</td>
<td>84</td>
</tr>
<tr>
<td>Limitations on member organisations in the organs of the FAO</td>
<td>89</td>
</tr>
<tr>
<td>Conclusion</td>
<td>90</td>
</tr>
<tr>
<td>III. DIVERSITY MANAGEMENT IN THE POST-CONFLICT SOCIETIES</td>
<td>93</td>
</tr>
<tr>
<td>THE IMPACT OF THE EUROPEANISATION OF FOOTBALL IN THE WESTERN BALKANS ON RECONCILIATION, UNIFICATION AND IDENTITIES IN BOSNIA AND HERZEGOVINA</td>
<td>95</td>
</tr>
<tr>
<td>Introduction</td>
<td>96</td>
</tr>
<tr>
<td>Methodology</td>
<td>96</td>
</tr>
<tr>
<td>The europeanisation of football in the western Balkans</td>
<td>97</td>
</tr>
<tr>
<td>The impact of europeanisation on inter-ethnic relations in BIH</td>
<td>102</td>
</tr>
<tr>
<td>Football in BIH – a source of exacerbation of ethnic tensions or a bridge-builder?</td>
<td>107</td>
</tr>
<tr>
<td>Discussion and analysis</td>
<td>111</td>
</tr>
<tr>
<td>EDUCATION AND THE EUROPEANISATION OF BOSNIA AND HERZEGOVINA</td>
<td>117</td>
</tr>
<tr>
<td>Introduction</td>
<td>118</td>
</tr>
<tr>
<td>The political structure of BIH and its implications for the broader europeanisation process</td>
<td>119</td>
</tr>
<tr>
<td>Education and europeanisation</td>
<td>121</td>
</tr>
<tr>
<td>The european paradox: who is to blame?</td>
<td>126</td>
</tr>
<tr>
<td>Conclusion</td>
<td>127</td>
</tr>
<tr>
<td>FACTORS DETERMINING THE PRESENCE OF WOMEN IN POLITICS IN THE COUNTRIES OF THE WESTERN BALKANS</td>
<td>131</td>
</tr>
<tr>
<td>Introduction</td>
<td>131</td>
</tr>
<tr>
<td>Research questions and theoretical overview of the factors determining the presence of women in politics</td>
<td>134</td>
</tr>
<tr>
<td>The position of women in the period of transition (from socialism to post-socialism)</td>
<td>135</td>
</tr>
<tr>
<td>The new development policies regarding women's political presence in Macedonia, Serbia and Croatia (1990–2012)</td>
<td>138</td>
</tr>
<tr>
<td>Political presence of women – the real situation (MK, RS, HR – 1990/2009)</td>
<td>146</td>
</tr>
<tr>
<td>Factors influencing the political presence of women – positive/negative impact of individual variables</td>
<td>148</td>
</tr>
<tr>
<td>Conclusion</td>
<td>153</td>
</tr>
<tr>
<td>References</td>
<td>155</td>
</tr>
<tr>
<td>IV. MANAGING ECONOMIC NETWORKS</td>
<td>165</td>
</tr>
<tr>
<td>DO WE NEED REGIONAL INNOVATION COOPERATION OF THE WESTERN BALKAN COUNTRIES?</td>
<td>167</td>
</tr>
<tr>
<td>Introduction</td>
<td>168</td>
</tr>
</tbody>
</table>
Why WBCs need to participate in horizon 2020? ............................................................ 170
An outline of the similarities and differences of the innovation systems in WBCs ............................................................................................................................ 171
Path-dependent impediments to innovation and technological development .... 176
The analysed factors for better regional innovation cooperation and science-
industry cooperation ........................................................................................................ 178
Conclusions ...................................................................................................................... 180
THE POSITIONING OF CHINESE AUTOMOTIVE INDUSTRY IN THE EU AND ITS
INFLUENCE ON SINO-EUROPEAN RELATIONS ........................................................ 185
Chinese automotive outward FDI in the EU ................................................................. 186
Overview of cases ......................................................................................................... 186
Chinese “go global” policy in car making ........................................................................ 187
The EU inward investment issues .................................................................................. 188
Potential conflict? ............................................................................................................ 188
Theoretical background ................................................................................................. 189

V. POLITICAL ECONOMY OF THE EU - CASE STUDIES ................................................. 195
FINANCIAL CRISIS IN CROATIA AND SLOVENIA: THE CRISIS OF EUROPEANISATION
THROUGH BADLY MANAGED ECONOMIC INTEGRATION ........................................ 197
Introduction .................................................................................................................... 197
Financial inflows, capital account liberalisation and rising leverage/indebted-
ness ................................................................................................................................. 200
Domestic institutional factors and their role in the ongoing financialisation pro-
cess and the creation of external and internal imbalances ........................................ 204
Economic and political consequences of the euro crisis in Croatia and Slovenia
– a way towards innovative policy solutions? ............................................................... 208
Conclusion ...................................................................................................................... 211
THE IMPACT OF THE EU INTEGRATION PROCESS IN THE FIELD OF AGRICULTURE
AND THE CASE OF SLOVENIA: OPPORTUNITY, CONSTRAINT OR SOMETHING IN-BETWEEN?
Introduction: accession to the land of plenty ............................................................... 215
Theoretical framework: integration as an opportunity, relative opportunity or a
constraint? ......................................................................................................................... 216
Research results .............................................................................................................. 218
Discussion: from a good candidate to a poor member ................................................ 224
Conclusion: how to make the EU work (for us)? ......................................................... 225

VI. TEACHING EU IN THE WESTERN BALKANS – SOME POLICY PROPOSALS ...... 231
WHEN IN TROUBLE – REACH OUT: REGIONAL UNIVERSITY DIPLOMACY ............. 233
Introduction ..................................................................................................................... 233
Contemporary challenges: global and regional............................................................ 234
Children and victims of technology revolution ......................................................... 236
EDITOR’S NOTE

This book is the result of the activities within the AcadEU. The AcadEU is a network of scholars, whose purpose is to provide a forum for and facilitate the exchange of knowledge and experience among scholars, students, and members of the civil society at large from the so-called post-Yugoslav space. Throughout the past year, we have seen and received many useful contributions. The selection presented here demonstrates this variety. We have taken care of the quality of English language. Polona Petek, our language editor, has done a tremendous job. We are eternally grateful for all the effort she has put into this book project. Of course, a disclaimer is in order: the contributions to this book have been reviewed at various stages, i.e. before, during, and after the conference, but each author remains responsible for the content and language of his/her contribution.
As someone who spent a quarter of a century in what used to be called the Socialist Federal Republic of Yugoslavia – today commonly referred to as “former Yugoslavia” – I am particularly interested in observing how things have developed since then. The beginning of the breakout of former Yugoslavia did not promise much. Many were aware that secession rarely takes place without violence. But the level of hatred and violence that took place in the 1990s, camps in which people were deprived of human dignity, massacres such as Srebrenica – all this compared to the relatively peaceful life in the ethnically mixed communities in former Yugoslavia did come as a shock to many. At the beginning of the new Millennium, we began to see a different picture of this post-Yugoslav space. Criminals were brought to justice. The truth about the atrocities, about mass graves was coming to surface. Of course, the wounds caused by the wars were not healing quickly. Reconciliation is a process that takes years, decades… But, if one talks to people, especially those living in Bosnia-Herzegovina, a country that has arguably seen most of the violence that took place in the region in the 1990s, “we have to move on”.

This is exactly what this book – the final product of the 2013-2014 project “Post-Yugoslav Network in the EU”, nicknamed AcadEU – is about. But the book does not show all the richness of the AcadEU’s events and all the topics that the participants are working on. The book is but a part of the project which was co-financed by the European Commission’s Lifelong Learning Programme, the purpose of which was to raise awareness of the opportunities provided by the European integration, to improve quality of the knowledge of the European Union (EU) and to empower actors in the post-Yugoslav space for being competent partners to the EU. The AcadEU has been able to set up a network of researchers, academics, practitioners and civil society organisations from the post-Yugoslav space. A number of events have been organised. In these events, individuals (in their own capacity or as representatives of different institutions and organisations) could meet in person, engage in discussions and establish connections for future cooperation. A visit to the webpage – www.acadeu.eu – provides a glimpse of the richness of those meetings and activities associated with them.

I hope the reader will find in these contributions what we hoped to achieve: a start of something bigger. The political landscape of the region has changed. Currently, two former republics are members of the European Union. Some are on their way, whereas the so-called European perspective for the others is somewhat uncertain. Students and scholars discover ways and means to improve their visibility. The EU mobility and exchange programmes serve that purpose. International conferences are more and more frequented by participants from the post-Yugoslav space. Indeed, we, the people from the post-Yugoslav space, want to move on. But it would be difficult, if not irresponsible, to forget where we come from. Many from the region will not
forget easily – if ever – what happened to them, who caused the destruction of their house, who killed their families... But they understand that their future depends on cooperation, on talking to one another, on common projects. We believe, therefore, that the AcadEU has a future, because of the very logic on which its creation was based: to facilitate cooperation and, in doing so, to contribute small steps toward reconciliation.

The rest of the space I was given to preface this volume will be used to give credit to those without whom the AcadEU would have never been possible. They may not appear in this volume but they have, in various ways, contributed to it tremendously. Thanks go in particular to Ana Bojinović-Fenko, Bernhard Stahl and Sören Keil, who each in his or her own way helped to set up the AcadEU. Tjaša Božič, Tamara Kajtazovič and Tina Orešnik deserve special mention here; their contribution in following the events associated with the AcadEU has been of utmost importance. The watchful eye of Irena Brinar has provided a much needed stability to the project throughout its lifetime. The Slovenian Press Agency (STA) has found the project important enough to follow its events – a gesture we particularly appreciate. Words do not suffice to give enough praise for the work and time that Natalija Ferlež has put into this project. Her assistance in the editing of this book is but a small chapter in her story – she was and she still is the backbone of the AcadEU. Last, but most certainly not least, this book would have never been possible without the able editorial skills of Marko Lovec. Thank you so much, Marko.

Finally, I wish to say how grateful I am to the European Commission and its Lifelong Learning Programme, which has made the AcadEU possible. I hope the Commission’s investment and trust will not end here. There is and there should be enough energy to follow the mission the EU has, or at least should have, for the post-Yugoslav space: to provide a European perspective by facilitating reconciliation through cooperation.

Ljubljana, October 2014
Zlatko Šabič, Head, AcadEU
EDITOR’S INTRODUCTION

WHAT HAS THE POST-YUGOSLAV SPACE LEARNED ABOUT THE EU AND WHAT DOES THE EU HAVE TO LEARN ABOUT THE POST-YUGOSLAV SPACE?

Marko Lovec, Assistant Professor, Faculty of Social Sciences, University of Ljubljana, marko.lovec@fdv.uni-lj.si

For the countries that belonged to Yugoslavia, the period since the breakup of the Yugoslav regime has been turbulent. Just as with the breakup of the Soviet Union, the political vacuum that was created attracted European integrations. However, in contrast to the transition of the former Soviet republics, the breakup of Yugoslavia was, at least for some of the countries, violent and bloody. Even though two of the former Yugoslav republics have since then become the European Union (EU) member states and others are somewhere on the way of becoming, there is a mixed perception of their success which is shared by all of them. Due to their similarities and mutual ties, post-Yugoslav countries have much to learn from each other’s experiences with European integrations. Apart from that, in their experiences, there are lessons for the EU to take in order to get through the current fatigue in its policies towards the Western Balkans.

This thesis was at the core of the AcadEU project which took place with the generous support of the European Commission (Lifelong Learning Programme) and the University of Ljubljana. At the events organised within the project (acad.eu), many contributions have been presented to various audiences, ranging from government officials and NGOs to the general public. In order to disseminate further some of the deliberations that took place during the last two semesters of the AcadEU, the decision was made to publish a selection of papers in a conference proceedings book. Since the AcadEU project has already acted as a spin-off platform for several publication projects, the intention of the present one was, first, to promote and strengthen the visibility of some of the works that shed a different light on the problems that are relevant specifically for the region and/or that come up with innovative solutions and policy recommendations, thus opening up a space for understanding past experiences and facilitating new opportunities for the future, and second, to promote and strengthen the visibility of the PhD scholars and early-stage researchers coming from the post-Yugoslav space who represent the future of European integrations studies in the region. When drafting final versions of their papers, junior researchers were able to draw on the comments provided by their (senior) peers.

The papers are divided in seven sections. Individual sections deal with issue areas which are specifically relevant from the perspective of societies and countries in the post-Yugoslav space and in which European integrations, and the EU in particular, play or at least could play an important role. The conclusion deals with the message
that the past experiences of post-Yugoslav countries carry for the possible role that
the EU could play in the Western Balkans region in the future.

Section One bears the title “Europeanisation of foreign policy”. Historically, the
greatest achievement of European integrations has been their ability to affect for-
eign policies of the EU member states. The first section features two papers, one by
Ana Bojinović Fenko and one by Marko Kovačević. In her paper, Bojinović Fenko
analyses the development stage of the foreign policy analysis in the post-Yugoslav
space and argues in favour of a policy- (and not process-) oriented approach. In her
opinion, such an approach, which seems to be more appropriate for explaining the
particular characteristics of the foreign policy context, enables us to recognise the im-
pediments of sovereignty and the state-building processes, which influence foreign
policies of the countries in the Western Balkans. Kovačević’s paper begins with the
observation that there are important differences in foreign policies of post-Yugoslav
republics. In his opinion, the trajectory of Serbian foreign policy, which stands out
when compared to foreign policies of some other small countries in the region, can
be explained with a dissonance between the inside and the outside perception of its
capabilities.

The focus of Section Two is the role of the EU as a global actor. The attractiveness
of European integrations depends on their ability to make the member states join
their forces and act as one. The first paper, written by Daniel Crnčec, deals with the
questions of whether or not, and if yes, how the issue of climate change features in
bilateral relations between the EU and the Russian Federation. It finds out that, al-
though this issue has an independent standing, it is heavily influenced by the energy
relations between the two power blocks and by various other issues, including secu-

rity crises. The second paper by Julija Brsakoska Bazerkoska analyses the case of the
EU’s membership in the Food and Agriculture Organisation (FAO), its advantages
and disadvantages and how it has contributed to the growth of the EU’s membership
in international organisations.

The topic of Section Three is the issue of diversity management in post-conflict
societies. For post-Yugoslav countries, where the wounds of ethno-cultural conflicts
have not healed yet, the experience of European integration in dealing with social
diversity is valuable. In her paper, Tamara Juričić argues that the recent emergence
of Bosnia and Herzegovina (BiH) as a footballing nation both at the European and
the global level has, on the basis of national pride, brought symbolic reintegration of
Bosnia. In Juričić’s opinion, this development has been influenced by the European
sports policies and the interference of UEFA and FIFA in the affairs of national
football associations, the presence of footballers from the Western Balkan countries
in the major European football leagues as well as the national teams’ participation in
international competitions. The second paper in this section, written by Fionnuala
Flynn explores the way the education system in Bosnia and Herzegovina, specifically
at the primary and secondary-school levels, hinders reconciliation, the adoption of
norms promoted by the EU and general progress of society. Flynn argues that do-
mestic and international actors are responsible for the stagnation of the Bosnian
education system. The third paper in this section, written by Elena Nacevska, analyses the impact of the socio-economic, cultural and institutional factors, including the processes of Europeanisation, on the political presence and position of women in public/private spheres of Macedonia, Serbia and Croatia.

The title of Section Four is “Managing economic networks”. In modern economic relations, networks play an important role in determining access to various goods and positioning in value-adding chains. The first of the two papers in this section is a text by Jadranka Švarc, who argues that, due to the decline of the traditional labour-intensive manufacturing as a driver of growth in the globalised economy, the Western Balkan countries’ competitiveness in the long run and the integration with the EU are not sustainable without increasing their abilities for absorption and creation of new technologies. The paper provides a brief comparison of the selected aspects of the innovation systems of Western Balkan countries, including the regional innovation cooperation and the cooperation between science and industry. The second paper, written by Daniela Cvetanovska, analyses the policies of the EU member states towards the foreign direct investments of the People’s Republic of China in the automotive market, given the fact that the automotive industry is considered a vital industry for the EU.

Section Five presents two case studies in the field of political economy. With the global financial and economic crisis and the crisis in the Eurozone area, which has hit specifically the countries on the peripheries of European integrations, economic issues are emerging as top political questions. In his paper, Kristijan Kotarski advances the argument that Slovenia and Croatia pursued a model based on the financialisation of economy, which boosts growth by rising rapidly the levels of private and public debt. In his opinion, despite the initial progress and success in instituting market economy and democracy consolidation, the positive impact of Europeanisation has started to fade as a consequence of the clash between the contentious and problematic model of economic integration with the EU core and the structural power of finance at the EU level. The second paper, written by Marko Lovec, analyses the impact of the EU accession in the field of agriculture where the EU has developed a generous distributional policy. The paper observes various accommodations of the Common agricultural policy which were made in order to contain the redistribution of resources towards the farmers coming from the new member states.

The topic of Section Six is the teaching of the EU in the Western Balkans. If knowledge of the European integrations is considered to be vital for facilitating social change, then the tertiary education institutions, which (re)produce knowledge of the EU, should be the primary target of any policy in this respect. Section Six presents policy papers by academics who are involved in the development of their institutions and who deal specifically with the programmes of international cooperation, networking and exchange. In her paper, Nedžma Džananović Miraščija argues that a potential to help re-conceptualise the manner in which the academia faces the omnipresent challenges can be found in unlikely places, such as the framework of multilateral diplomacy. In her opinion, the logic of multilateral cooperation is of general
application, or at least, transposable to the academic field. Zoran Ivanovski, Zoran Narasanov and Nadica Ivanovska support the argument that networking among higher education institutions is an essential requirement for quality improvement and better education outcomes. However, in their view, cooperation and networking between private universities in Macedonia is almost “mission impossible” due to the fact that the private ones only act as competition and that public universities have internal and external barriers and hesitate to make agreements for cooperation with private universities. In his paper, Memet Memeti discusses the case of internationalisation efforts at his university.

The last section is meant to reflect on the issues of identity and their importance for political developments. It is often said that those who control the past control the present, and that those who control the present control the future. The paper by Katrin Boeckh argues that, with the enlargement wave in 2004, the EU for the first time accepted members from the former communist orbit in Eastern Europe. But the process of bringing in post-communist countries is anything but a straightforward process. For example, the EU has to deal not only with the structural legacies of the socialist regime, but also with the consequences of the Yugoslav wars in the 1990s and after. In Boeckh’s opinion, it is important to come to a common knowledge on the recent history and the role played by the governments, politicians, and other active groups of the ex-Yugoslav societies and the processes that led to these developments. This is the point where history, histories and historiography come into the play, not only for the EU but also for the individual countries with European aspirations.
I. EUROPEANIZATION OF THE FOREIGN POLICY
FOREIGN POLICY CHANGE IN NEW STATES: A COMPARATIVE FOREIGN POLICY ANALYSIS OF POST-YUGOSLAV STATES

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Abstract

This paper provides a short overview of political science literature on the post-Yugoslav space and proposes a research outline for studying an under-researched aspect of changing foreign policies of the new post-Yugoslav states. It thus provides theoretical considerations and a conceptualisation of foreign policy as policy (not process) and offers methodological insights for this kind of research. The central premise of the paper is to explore the as yet unstudied effects that the factor of post-Yugoslav states being new states brings into their foreign policy-making. Alongside this thinking, a model for studying the effects of problematic aspects of sovereignty is introduced and applied to the cases of the new post Yugoslav states to further enable a comparative analysis.

Keywords

Foreign policy, Post-Yugoslav states, new states, sovereignty attributes, comparative analysis

INTRODUCTION

The overall goal of this paper is to make an overview of and propose a research outline for an analysis of the changing foreign policies of the new post-Yugoslav states.¹ This is relevant as the respective countries of the Western Balkan region strive to contribute to sustainable stability of this region whereby their potential and ability to achieve this aim call for proper up-to-date evaluation. Despite the fact that a firm foreign policy priority of all post-Yugoslav states (not all of them are as yet members of the European Union) is accession to the EU, foreign policies of this group of states reveal the individual states’ inconsistency with regard to this goal and a comparative divergence in foreign policy actions within the group itself. This has,

¹ By post-Yugoslav states we refer to Slovenia, Croatia, Bosnia and Herzegovina, the Former Yugoslav Republic of Macedonia – FYROM, Montenegro, Serbia and Kosovo.
in many cases, resulted in slow progress, stagnation and even backdrops in the EU accession process. As the norm of “solidarity” applied by the EU in the Eastern enlargement (Jileva 2004) is inapplicable to the Western Balkans, even the EU normative power and conditionality, as well as the individual EU member states’ political conditionality seem only to drive some post-Yugoslav states further away from the EU accession foreign policy goal. Examples of inconsistent foreign policy actions of individual post-Yugoslav states include the Slovenian “away from the Balkans” strategy in the 1992–1998 period (Bojinović 2005); the Croatian isolationist policy until the 2000s and the unilateral proclamation of the Ecological-Fishing Protection Zone in the Adriatic in October 2003 (Roter and Bojinović 2005); the Croatian and the Serbian initial responses to the judgements of the International Criminal Tribunal for the former Yugoslavia (ICTY) and the implementation of regional cooperation on cross-border issues and resettlement; the Serbian political elites’ instrumental use of the EU to pursue strategies far removed from the EU norms and standards around 2006 (Subotić 2010) and its protest absence at the launch of the Western Balkans regional Brdo process in March 2010; Montenegro’s obstruction of the state union with Serbia and, currently, the poor management of transnational flows of organised crime (European Commission 2012: 13) and the name dispute-related status quo in the EU accession negotiations of the Former Yugoslav Republic of Macedonia (FYROM), which negatively affects good neighbourly relations (ibid.).

The analysis of the literature on the post-Yugoslav space in the past two decades shows an interesting turn. After the boom of literature on the former Yugoslavia, which sought to analyse the conflicts raging there in the 1990s and the sources of these conflicts, the post-conflict literature including the analysis of the democratisation processes gradually faded away. Nowadays, the existing scholarly interest in the area of former Yugoslavia is scarce and more specialised; it focuses, for example, on citizenship regimes in the post-Yugoslav states (Shaw and Štiks 2012). But predominantly, the literature is almost entirely focused either on the influence of the EU policies on the Balkans, for instance, from the culturo-social perspectives of the (Western) Balkan states’ pro/contra European identity-building (Mishkova 2008; Curley 2009) resulting in the “identity convergence or divergence” (Subotić 2011), or on a political analysis of the effects of democratisation through the EU conditionality within the enlargement (perspective) policy (for example, Êthier 2006; Chandler 2008; Youngs

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2 While some “classical works” such as Glenny’s (2012) “The Balkans 1804–2012” examine the role of nationalism, war and external powers in the state-building and state-dissolution processes in the former Yugoslavia, more recent publication focus on more specific aspects. Toal and Dahlman (2011), for example, provide a very detailed analysis of the population changes during and after the Bosnian war in their “Bosnia Remade: Ethnic Cleansing and Its Reversal”. They argue that these population changes had a profound impact on the political development of post-war Bosnia. In a similar vein, Tanner’s “Croatia: A Nation Forged in War” (2001) looks at the connection between the War of Independence and the political development in the post-war years.
I. Europeanization of the Foreign Policy

2010; Džihić and Segert 2012; Noutcheva 2012; Elbasani 2013a). Presumably, this is so because the majority of the former Yugoslav states are members, or on their way to become members, of the EU, as stipulated by the Zagreb and Thessaloniki summits and confirmed in the most recent Commission’s enlargement strategy for 2012–2013 (European Commission 2012). The European Commission (2012: 7) also firmly assumes that “/disputes related to inter-ethnic or status issues, notably in Bosnia and Herzegovina and Kosovo, continue to hinder the functioning of institutions, frustrating the reform process, sometimes with broader regional implications. Pursuing their EU path is the best way for the countries to address these problems”. However, the real state of affairs is different from what the EU political conviction and the existing literature (or the lack of it) suggest. Actually, foreign policy actions of the post-Yugoslav states have been showing such diversity with regard to implementing their priority foreign policy goal of the EU membership that we cannot conclude that the post-Yugoslav region is safe from unpredictable behaviour of individual countries, including the increase of bilateral or multilateral tensions, in spite of their pursuit of the EU path.

The central reason for a slow progress of these states meeting the EU enlargement-policy conditions is sought in the unfinished state-building and even nation-building processes and deficiencies in “stateness” (Elbasani 2013b: 5–13). Noutcheva (2012: 45) also points out that that the EU conditionality stemming from the Copenhagen criteria targets one aspect of the candidate’s sovereignty, that is “control”, defined as the “capacity of a state to govern the internal and external public affairs /…/ efficiently”. The EU’s concern, addressed through pre-accession packages, thus targets directly “the effective government” as an element of the states’ sovereignty. We recognise that these analyses make a significant contribution to the knowledge about the Western Balkans in general and the post-Yugoslav states in particular. Notably, they point out a “persisting contestation of basic understanding of statehood and identity” (Youngs 2010: 119) which represents one of the biggest obstacles to democratisation and the transfer of the EU norms and values to local political communities. But the existing research explains only in part the behaviour of the post-Yugoslav states regarding their relationship with the EU and among themselves, as it displays two deficiencies, which more studies should address directly. Firstly, authors who study the current relations between the EU and the post-Yugoslav space/the Western Balkans focus on the EU foreign policy analysis and study the EU policy effects primarily from the perspective of the EU itself, theorising models/types of the EU external governance as, on the one side, being hierarchical, network- or market-based (Lavenex and Schimmelfenning 2010) or, on the other side, as entirety imperial

3 Under title no. 3, “Maintaining the enlargement and reform momentum”, the Commission reaffirms that “/n the Western Balkans in particular it is crucial that the countries remain firmly on the path of reform, leaving the legacy of the past behind and investing in their European future” (European Commission 2012: 11).
Lessons Learned for the European Union

(for example, Zielonka 2008). Secondly, if focused on the Western Balkans, the EU enlargement-policy context takes into consideration primarily the EU’s effects on domestic policies of the post-Yugoslav states, due to the fact that the Stabilisation and Association Agreements as instruments of the EU enlargement policy focus on the transmission of the EU rules (acquis communautaire) to the applicant and candidate countries. Most recent pieces edited by Radeljić (2013) or Elbasani (2013a) confirm this by focusing on the process of Europeanisation of the domestic societal and political developments of the countries in question.

THEORETICAL CONSIDERATIONS AND CONCEPTUALISATION

If authors have, up to now, mainly concentrated on how nation- and state-building processes affect domestic political contexts within the “Europeanisation” process of Western Balkan states, this research outline is to explore the as yet unstudied effects that the factor of post-Yugoslav states being new states brings into their foreign policy-making. In other words, the existing literature does not address foreign policies of the post-Yugoslav states, in particular when those foreign policies address their immediate and most important environment, namely, not only the EU but also the Western Balkan region. Not having that kind of knowledge makes it impossible for scholars to draw informed conclusions about the state of affairs in the Western Balkans in general, and about the role of the post-Yugoslav states in ensuring its stability in particular. To bring the foreign policy dimension into the scholarship on the post-Yugoslav space, we pick up on the concept of sovereignty of new states within foreign policy change. Generally, sovereignty in IR refers to a stable territory and people, an effective government and international recognition. Krasner (2001: 7–12) expands the term into four dimensions: domestic, interdependence, international legal and Westphalian sovereignty. Domestic sovereignty refers to the organisation of authority in a given state and its effectiveness, including control over the territory and its people and de iure constitutional independence. Interdependence sovereignty refers to the ability to regulate trans-border flows, and international legal sovereignty is reflected in the international recognition of a state. Westphalian sovereignty refers to the de facto absence of external authority. As we recognise that sovereignty “is not an organic whole”, it may be that a state possesses only some of the necessary sovereignty attributes but not others (Krasner 2001: 2), which is the pertinent case of the new states that emerged in the post-Yugoslav space.

Despite the fact that – except for Kosovo – all post-Yugoslav states have ensured their international legal sovereignty, the above-elaborated elements of sovereignty are still contested in many cases of these new states, which influences these states’ foreign policy-making and implementation directly. For example, as Kosovo, most evidently, struggles with external contestation of its international recognition and with achieving Westphalian sovereignty, Bosnia and Herzegovina faces internal contestation of
I. Europeanization of the Foreign Policy

domestic sovereignty (lack of effective government)⁴ and of Westphalian sovereignty due to the persistent existence of *de facto* external authority. The Former Yugoslav Republic of Macedonia, on the other hand, possesses all of the above attributes of sovereignty but has an essential problem with the recognition of the state’s official name (element of international legal sovereignty). State-building processes have also affected directly the Montenegrin, Serbian, Croatian and Slovenian foreign policies. Examples of the latter include: the Montenegrin slow acquisition of domestic sovereignty already during the existence of the common state with Serbia, referred to as “creeping independence” (Džankić 2010); the Serbian domestic and international legal sovereignty changes during the 1990s and 2000s; the Croatian population and territorial-demarcation struggle through nation-building as an element of domestic sovereignty, and the Slovenian ideational self-positioning of the new sovereign state/nation in the (regional) international community, which will be referred to – in constructivist conceptual terms – as a new element, namely ideational (thus informal rather than legal) international sovereignty. All these cases of developing/acquiring sovereignty attributes by the new states of the post-Yugoslav space have been influencing directly the foreign policies of these states since their declarations of independence. The aim of the proposed research outline is to analyse the nature of these effects and their consequences for these states’ foreign policies towards the region of the Western Balkans and the EU. The problematic attributes of the post-Yugoslav states are summarised in Table 1.

To explain the post-Yugoslav states’ foreign policies, this research outline positions itself within the Foreign Policy Analysis (FPA), within which we shall focus on the comparative foreign policy analysis (CFPA). From the point of view of the FPA approaches, the CFPA is the most understudied analytical approach (cf. Rosenau 1966, 1974). The CFPA literature, mostly US-led quantitative research programmes, is interested primarily in finding correlations and causes in order to explain foreign policy outcomes (Hill 2003: 10). This approach met little success, and researchers returned to traditionally country-specific explanations of foreign policy behaviour (Smith 1986: 21). However, in the last fifteen years, attempts have appeared which start from specific cases and then use comparative methods to build middle-range theories and to link constructivist approaches to the FPA with the aim of moving away from positivist ontological perspectives and quantitative methodology (Kaarbo 2003: 158). We position this research among the latter and, additionally, we see the present research proposal as contributing also to the so-called field of “European foreign policy analysis” (Hill 1996; Manners and Whitman 2000). The European FPA heritage owns rare studies on foreign policies of groups of European states – cf.

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⁴ In this context, Jackson (1990, in Alden and Aran 2012: 67) defined the so-called quasi-states; despite enjoying legal sovereignty, the authority institutions are fragmented and incomplete with the main foreign policy aim of these states being to achieve legitimacy. Even if the term was proposed in the context of analysing the states of the “global South”, this conception is of use also in some cases of the new states in the post-Yugoslav space.
the Nordic states’ foreign policy by Hansen and Wæver (2002) – whereas the post-Yugoslav states are not yet among them. Our analysis of foreign policies of the post-Yugoslav states will be studied as “separable but not separate from the EU context” (Manners and Whitman 2000: 269). As we are aware that the EU member states have learned different things from the same events (Reynolds 2004: 47), and it is proven that countries of the same size and in a similar geopolitical environment may behave differently (Risse-Kappen 1991: 479; Breuning 2007: 129), these findings lead us to the above-presented supposition that the common Yugoslav heritage has by no means triggered similar foreign policies of the successor states. In this context, this research outline’s empirical research bears high potential contribution for further middle-ground theorising on the European states’ foreign policy.

Table 1: Problems of new states with attributes of sovereignty; the cases of post-Yugoslav states

<table>
<thead>
<tr>
<th>attribute of sovereignty / state</th>
<th>Slovenia</th>
<th>Croatia</th>
<th>Bosnia and Herzegovina</th>
<th>Serbia</th>
<th>Montenegro</th>
<th>FYROM</th>
<th>Kosovo</th>
</tr>
</thead>
<tbody>
<tr>
<td>DOMESTIC</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>people</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>territory (borders)</td>
<td>X</td>
<td></td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>organisation of authority and its effectiveness</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>de iure constitutional independence</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TRANSBORDER</td>
<td>X</td>
<td></td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>INTERNATIONAL LEGAL</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(X)</td>
<td>X</td>
</tr>
<tr>
<td>WESTPHALIAN</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>IDEATIONAL INTERNATIONAL</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: author’s own analysis.

Looking for theoretical sources of reference to frame our object of study, the existing FPA literature reveals a focus similar to the European Studies/IR research, namely, concentration on the influence that the changing domestic environment of the new states brings into their foreign policy-making. By analysing “transitional states”, the FPA focuses on “the agency and structure problem, the dynamic between state and non-state actors in the context of change and finally, the socially constructed nature of sovereignty and international system” (Alden and Aran 2012: 100–101). However, the achievements of these types of studies are still limited to explaining the influence of the domestic regime change on foreign policy (for example, Linz 1990; Huntington 1991). These studies do not account for the external (f)actors affecting statehood and foreign policy-making because they focus mostly
on individual decision-makers, state institutions and political regime change (Alden and Aran 2012: 100–105). This is a too narrow approach, according to Campbell (1998: 12): “The constant articulation of danger through foreign policy is thus not a threat to a state’s identity or existence: it is its condition of possibility.” Mansfield and Snyder (1995) have shown that the uncertainties surrounding the boundaries of a territory are factors that make regimes in transition to democracy engage actively in militant foreign policy actions. Moreover, Gagnon (1994) has argued that external factors may only be interpreted as relevant in foreign policy for domestic purposes; explaining the case of the Yugoslav break-up war, he claims that the war did not originate from inter-ethnic strife but rather from the dynamics of in-group conflict (the Serbian political elite), which interpreted external security concerns in terms of relations with other ethnic groups for the purpose of its own domestic goals. Woodward (2001) has also explored how “the unusual contest between outsiders insisting on sovereignty and locals resisting it” is being played in the case of what she calls “Bosnian anomaly.” Exposing especially the constraints of the externally written constitution and the state institutional form, she asserts that, despite leaving foreign relations to the common state rather than to the decentralised authorities, Bosnia is a case of preserving the norm of sovereignty for the sake of international community rather than holding the Bosnian entities responsible for their foreign relations and peace (Woodward 2001: 285–88).

Apart from the abovementioned rare examples of empirical works on the transitional and post-Yugoslav states’ foreign policies, there are only a handful of authors who have published conceptual works on foreign policy of “new” states. In his seminal work “The foreign policy of new states”, Calvert (1986) has investigated capabilities vs. limitations offered by domestic and external environments of the new states’ foreign policy for their foreign policy process. However, his conceptual grasp of the new states refers to decolonised states, predominantly of the developing Third World. Only a small portion of his conclusions are thus pertinent also for the present case of the post-Yugoslav states. Calvert identifies four types of internal, social cleavages in the newly independent states, which tend to occur together and reinforce each other: the cleavage between the ideal “nation” and in whose name power is exercised (the nation/state cleavage); the disparity of the view from the capital and the provinces; the gap between the rich and the poor; and the religious-ethnic dimension (Calvert 1986: 132–33). Some of the internal cleavages, however, do not act as limitations on the power of the newly independent states, for instance, the secessionist and irredentist movements within the country or a demand for intervention from outside. As for the external limitations on the foreign policy of new states (which are often also small), Calvert (1986: 18) argues that system-level constraints

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5 As regards external concerns, Petričić (2013: 260–68) argues that, next to acquiring international recognition as a foreign-policy priority objective, issues of the international legal arrangement of succession related to a new international legal subjectivity of a state (in the case of the dissolution
push new states towards neutralism and non-alignment strategies, which is in total opposition to the current pro-integration foreign policy stances of the post-Yugoslav states. While some of these states have displayed (EU-)isolationist policies after independence (for example, Croatia and Serbia), the research outline cases looking at the individual cases of post-Yugoslav states will pay special attention to this external dimension of foreign policy setting towards the EU integration. Some authors have shown that the EU integration can represent a foreign policy context opposed to state-building in new states; for example, Knudsen (2002: 184) notes that “paradoxically, state-building and integration beyond the state are closely linked while also being mutually conflicting”. The author explains this as an identity/integration issue; at the outset, identity is usually determined by the matter of finding out who one thinks one is not.

OPERATIONALISATION AND METHODOLOGY

Moving away from the studies that focus on individual decision-maker, bureaucracy and government levels of explaining foreign policy change, the proposed research design will use the constructivist approach to understanding change in the substance and strategy of foreign policy. This presupposes that “structural factors rather than actors are invoked as the dynamic factor ‘causing’ a particular state to behave in a particular way in the conduct of its foreign policy” (Carlsnaes 2008/2012: 93–94). Foreign policy change, especially in transitional states, “highlights constructivist insights into foreign policy as being integral to national identity construction at the same time as allowing for a range of contingencies to impact upon the process and foreign policy outcomes of the transition” (Alden and Aran 2012: 105). In this context, a second strand in the FPA, as identified by Carlsnaes (2008/2012: 93), emphasises the role of identities constitutive of norms and ideas, thus prescribing the “proper” behaviour of a state. National interests are thus not simply prescribed by the current material benefits for the state but are rather constituted by the identity that the nation/state develops. The potential identity/integration issues explained above will thus be of central interest in our case studies and their comparisons, since the ideas and norms that are evoked in the process of defining identities of the new post-Yugoslav states come from, firstly, (diverse) domestic society/nation, secondly, other post-Yugoslav states and, thirdly, the EU itself. In all these contexts, ideas seem even more important because, in the newly independent states, “institutions are ungrounded or untested” (Alden and Aran 2012: 106) which we operationalise within the structural context of the problematic attributes of these states’ sovereignty.

of a former state) or a continuing subjectivity from the previous state (in the case of secession) are the most pertinent.
In our analysis of the new states’ foreign policies, we will thus focus on foreign policy substance (norms and values, interests and goals) and foreign policy strategy (the combination of foreign policy instruments in use). Foreign policy will be studied as policy, not as a political process (Carlsnaes 2008/2012), as the “measures” will be the substantial issues of foreign policy and not the input-output features in the foreign policy formulation, decision-making and implementation phase. In terms of foreign policy substance of new states, Petrič (2013: 260–68) emphasises the following focus on foreign policy norms and goals: firstly, endeavouring for greater international visibility – developing its proper profile in international politics; secondly, a big new state will try to assert itself as a regional or even global player, whereas a small new state will not be engaged on a global scale (except for as a member of an international organisation); and thirdly, new and small states should assert themselves most acceptably through the support of peace and humanitarian endeavours. As for the foreign policy instruments, Petrič advises that new states should build a proper diplomatic and consular network abroad, focusing on neighbouring states and on the states of highest importance to the new state (ibid.). These are rather general observations, which the empirical comparative analyses in this research outline tend to sharpen.

Starting from these outlines, we will look for links between the problematic attributes of sovereignty and the changes (inconsistencies) of the proposed elements of foreign policy substance and strategy. The findings related to states with similar problematic attributes of sovereignty will then also be compared. We thus propose to understand the individual inconsistency and intra-group diversity in the post-Yugoslav states’ foreign policies by analysing the influence of problematic elements of sovereignty on the substance and strategic implementation of these states’ foreign policy towards the post-Yugoslav region and the EU. The main presupposition of our study is that, despite sharing a common foreign policy goal of joining the EU, the foreign policies of the post-Yugoslav states as new state have been affected diversely by uncompleted state-building processes reflected in different problematic attributes of sovereignty. The hypothesis we propose is thus: the difference in problematic attributes of sovereignty affects the post-Yugoslav states’ foreign policy-making in terms of substance and strategic implementation, resulting in individual inconsistency and comparative divergence of foreign policy actions of the states in question.

The choice of pairs of states as cases to be compared (within one article) is justified by the similarity of the “independent variable” in question, that is, the problematic attributes of sovereignty as defined in Table 1. A subsequent comparison of the analysed pairs of cases will verify the potential similarity or divergence of sources of change in substance and strategy of the foreign policies of states in the region. In terms of methodological strategy and operationalisation, we will use George and Bennett’s method of structured focused comparison, which has been “devised to study historical experience in ways that would yield useful generic knowledge of important foreign policy problems” (George and Bennett 2004: 67). Each state will first be defined on the basis of problematic sovereignty attribute. Second, a longitudinal
Lessons Learned for the European Union

analysis of changes in foreign policy substance and strategy of individual states will be presented within the context of potential changes of attributes of sovereignty. Third, a comparison of findings will be conducted between the two cases of initially “comparable” cases of states. And finally, differences and similarities in the states’ foreign policies will be sought between diverse cases of problematic attributes of sovereignty, making possible a conclusion regarding the foreign policies of the post-Yugoslav states as a group and their effect on the region of the Western Balkans. The elements of foreign policy substance and strategy will be analysed on the basis of the states’ foreign policy strategic documents, parliamentarian debates, foreign policy reports, their governments’ actions and their official representatives’ speeches. For this purpose, as noticed already by Calvert (1986: 11), having a research team with a native speaker for each state in question is a valuable micro-methodological asset.

POTENTIAL INDIVIDUAL CASES FOR SUBSEQUENT COMPARATIVE RESEARCH

A comparison between Slovenian and Croatian foreign policies is to focus on the influence of the two states’ ideational international sovereignty attribute in terms of (self-)identification and international repositioning after independence. The reasons for the change of their “away from the Balkans”/isolationist foreign policy strategy will be linked to the consolidation of the two states’ pro-European identity before entering the EU. On the other hand, the attribute of the territorial-sovereignty element (the mutually unsolved border issue) will be weighed against Slovenian and Croatian foreign policy actions in collision with the EU norms and, additionally, in the case of Croatia, people’s attribute of sovereignty will be reflected in the light of the recent lack of respect of Serbian minority rights and inconsideration for the European arrest warrant.

In another article, one could compare foreign policies and the sources of their change in the cases of Bosnia and Herzegovina and Kosovo. These two states are coupled as examples of similar problematic attributes of sovereignty related to territory, the organisation of authority and its effectiveness, and the management of transborder flows. Despite the fact that both states deal with a lack of Westphalian sovereignty (de facto external intervention), Bosnia and Herzegovina enjoys international legal sovereignty while Kosovo does not. These domestic and external sovereignty-related deficiencies are going to be compared, with the aim to reflect upon Bosnian changes in foreign policy, for example a recent external relations pursuit at the level of Bosnian entities and even cantons rather than at the level of the state, and the Kosovar application of para-diplomatic foreign policy strategy.

In yet another article, Montenegrin and Macedonian foreign policies are to be paralleled. The two (since their independence ideationally very pro-EU) states display a problem with the external element of sovereignty (the management of transborder flows vs. the internationally recognised name) with highly diverse outcomes
in the EU accession process. The Montenegrin insufficient international criminal flow management and the Macedonian insistence on the state’s official name display a kind of status quo on these foreign policy issues, thus the article would try to address the “non-change” of foreign policy strategy.

Another analysis could compare foreign policies of three entities, namely the Federal Republic of Yugoslavia (1992–2003), Serbia and Montenegro (2003–2006) and the current Republic of Serbia (2006–). This longitudinal analysis would account for changes in Serbian foreign policy due to identity shifts in the self-positioning of Serbia as a European state and a regional power (ideational international sovereignty). The authors would also provide an understanding of how border issues, managing transborder flows and inclusion of Serbian people in the neighbouring states (as irredentism or secessionist movements) affect the Serbian foreign policy substance (identity and interest in the post-Yugoslav region and in Europe) and strategy (for example, the external relations of the Serbian Orthodox Church).

In the conclusion, the empirical findings should be summarised and related back to the overall framework of the new states’ foreign policy. The conclusion has to reflect upon the sources of individual inconsistencies and the comparative divergence of the post-Yugoslav states in the context of problematic attributes of sovereignty. Furthermore, the conclusion is to be the appropriate space for outlining a wider research programme that could be established when analysing foreign policy change in newly independent and transitional states, and more concretely in the post-Yugoslav states. Here, the authors would also raise further empirical questions relevant to the post-Yugoslav states and to the EU enlargement process, such as: Is there any evidence of an EU alternative set of norms or practices being constructed by foreign policies of the post-Yugoslav states, which – through perpetuated foreign policy change – constitute potential sources of the region’s destabilisation.

REFERENCES


SMALL STATES, IDENTITY AND EUROPEANISATION IN THE WESTERN BALKANS: AN ANALYSIS OF SERBIA’S FOREIGN POLICY AFTER 2000*

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Abstract

The aim of this paper is to examine the foreign and security policy of Serbia, and to look at the role of Europeanisation in shaping its state identity. Europeanisation has had varied success in small states across the Western Balkans, but it has not transformed the state identity of Serbia significantly from a comparative perspective. There have been no attempts to analyse Serbia’s foreign policy creation process through the lenses of small state studies so far, and this paper presents a contribution to filling this gap in literature. Specifically, my aim is to answer the following question: why have the states in the Western Balkans shown different foreign policy trajectories under the process of Europeanisation, despite their shared socio-political environment and traditions overlaid with Europeanisation? In this paper, I propose an analytical framework that uses small states literature and combines it with International Relations in the part concerning the role of ideational and institutional factors (state identity, the EU). The dynamics of Serbia’s post-2000 foreign policy is analysed through the framework that combines the concept of identity convergence/divergence based on the work of Jelena Subotić (2011), and a constructivist framework for the analysis of foreign policy developed by Thomas Banchoff (1999). This represents a contribution to alternative explanations of foreign policy formation and the process of Europeanisation in the Western Balkans.

Keywords

Small states, constructivism, state identity, foreign and security policy, Europeanisation, Serbia

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INTRODUCTION

Two decades after the break-up of Yugoslavia, two of its former republics, Slovenia and Croatia, are members of the European Union and NATO. Conversely, Serbia has been granted a candidate state status in 2013, while its membership in NATO is a non-issue. This suggests that Serbia’s overall national policy has had a different political trajectory to that of Slovenia and Croatia in terms of the outcomes. These two states can be taken as textbook examples of small state policies, while Serbia’s record seems to have taken an awkward way despite the fact that all three countries can be classified as small states. Hence, the research puzzle: the Western Balkan (or post-Yugoslav) region is composed of small states, which manifest similar socio-political characteristics, carrying the socialist baggage and the legacy of ethnic conflict, authoritarian political regime and state weakness; why, then, do their foreign policies differ so much? Apart from the studies that cover the causes of the Yugoslav wars (1991–1999), and the national policies of the countries in the Western Balkans, the specificities, similarities and differences between the foreign policy trajectories of the former Yugoslav small states remain under-researched. This paper explores some of the reasons behind these different trajectories and probes specifically into the reconstitution of Serbia’s foreign policy in the period from 2000 to 2013 within the context of Europeanisation.

I define state identity more generally, as a set of ideational and material factors, which interact to yield a small, middle or great-power state identity. Accordingly, a small state is one which perceives and implements its foreign and security policy primarily within its local security region (i.e. the Western Balkans) for two particular reasons: first, the lack of objective capabilities that could enable a state to act in
I. Europeanization of the Foreign Policy

a relatively sustainable and systematic way in other security regions; and second, its self-perception – as being a small and weak state, and the acceptance of such a belief by other actors within or without the security region where it is located. Europeanisation is understood more broadly, as the “impact of the EU”. Security policy (as a component of foreign policy) is a dependent variable, which is formulated and implemented based on an indirect effect of state identity (identity/interests/actions), that is, an “independent variable” in the constitutive link between identity and action. After setting the stage for a constructivist reading of the topic, I present an analytical framework based on the identity convergence/divergence dichotomy, and I address the discursive shaping of state identity and the dynamic of Serbia’s foreign policy after 2000.

Constructivism in context

Serbia’s recent foreign policy can be divided into two periods: the first, from the dissolution of the Socialist Federal Republic of Yugoslavia (SFRY) until the democratic change of 2000, and the second, post-2000. The year 2000 is taken as a watershed that serves to compare the “before” and “after” foreign policies. The latter period is marked by a discontinuity with the foreign policy trajectory of the regime of Slobodan Milošević. While the pre-2000 policies were detrimental to national interests, for Serbia was “punching above its weight”, the ensuing period saw a declaration of a new set of values, interests and issue-specific foreign policies. The outcomes of Slovenia’s and Croatia’s national policies are the EU and NATO memberships, while Serbia is lagging behind and has been granted the EU candidate status only in 2013. Does this suggest a certain model of a “successful foreign policy” for small states? The conventional wisdom would be that states follow certain policies and emulate successful models of behaviour. Croatia and Slovenia were following suit in the 2000s, while Serbia’s domestic performance on the EU integration path was not matching

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10 This draws on the Regional Security Complex Theory, intersecting with small states literature and the social constructivist approach to identity (e.g. Wendt’s understanding of state identity as a starting point; cf. Wendt 1999 and Browning 2006).

11 For a discussion of the link between identity and action, see, for example, Ashizawa (2008). For an alternative, constructivist approach, which focuses on the “content” of state identity, see Banchorf (1999), a step that precedes the former in the analysis of action, according to Checkel (2006: 5).

12 As Kenneth Waltz argues on the notion of emulation, “those who do not help themselves, or who do so less effectively than others, will fail to prosper, will lay themselves open to danger, will suffer”. This can be used as a summary of Serbia’s foreign policy during the 1990s – the country failed to emulate successful national and foreign policy strategies. Quoted in Lobell et al. (2009: 18).
its declaratory support for the process abroad. Thus, the question arises as to how to explain the reasons for such different outcomes from a comparative perspective.

The most common approaches to understanding foreign policy and political behaviour are rationalist and constructivist. For Fearon and Wendt (2002: 54, 57), rationalists search for causal links “in a ‘positivist’ exercise in explaining foreign policy by referring to goal-seeking behavior”, while constructivism is focused on “the causal processes of socialization by which particular agents acquire their identities and interests”. Here, I want to proceed with a constructivist account of foreign policy, and focus on the notion of identity in constituting foreign policy.13

Constructivism aims at understanding foreign policy processes and probe into the ways its actors are constituted. Thomas Banchoff (1999) in his article “German Identity and Europeanisation” puts forward a theoretical framework for a constructivist analysis of foreign policy based on discourse analysis and testing the relationship between identity and action. He argues that rationalist approaches (Neorealism, Neoliberalism, Liberalism) are not capable of explaining the continuity in EU politics of Germany after the end of the Cold War, and develops a constructivist account of German foreign policy based on the analysis of German state identity. Something similar can be said of the Serbian case – structural changes in world politics led to the dissolution of Yugoslavia, and Serbian foreign policy run counter to national interest, led to isolation and great suffering for the population, and in 1999 provoked a conflict with NATO. On the other hand, after the Yugoslav wars, Slovenia, and then Croatia started their EU integration processes – which can be explained as structural condition as well as a move stimulated by a certain type of state identity. This requires a constructivist approach to the study of foreign policy.

Banchoff (1999: 268) defines state identity as “the self-placement of the polity within specific international contexts”, where “those contexts consist mainly of the constellations of states, international institutions and historical experiences within which a state is embedded”. The process of Europeanisation is connected with the study of state identity as a specific context which, in this institutional and historical constellation, affects state action. I am interested in how state identities can be connected to foreign policies of small states in the context of Europeanisation, which is discussed later.14

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13 A rationalist foreign policy analysis is, for example, characteristic of Neoclassical Realism. See, for example, Lobell et al. (2009). However, due to space constraints, the rationalist analysis is not given the necessary attention here.

14 See, for example, Baehr (1975: 457) who observes that “the size of states can explain the behavior of those states in international relations”. He then argues that “the size of states, however defined, has both domestic and international ramifications”, which, in purely rationalist, power terms, has implications for the outcomes of state action. However, he concludes that “small” and “large” are “relative concepts, subject to great differences in interpretation” (ibid.: 459). On a somewhat sceptical note, Baehr states that “notions of a sharp dichotomy between large and small states, and of a special role played by small states, should be discarded” (ibid.: 466). I do not agree with
**I. Europeanization of the Foreign Policy**

**Europeansation and foreign policy of small states**

Drawing on a constructivist approach, I aim to answer the following question: what is the role of Europeanisation in the transformation of foreign and security policy identity in small states? If the states are located in similar historical, geographical and political contexts, what has determined such diverse outcomes? I argue that the difference in the self-perception of identity and the actual (physical) capabilities of a state (e.g. the small state’s material capabilities) leads to the formulation of a foreign policy which is incompatible with such capabilities – damaging national interests in security and economy to the polity in question. In order to answer the question above, I explore the discourses in Serbia’s post-2000 foreign policy, determining the content of Serbia’s state identity, which is a precondition for studying its effects on national interests and foreign policy actions (cf. Banchoff 1999).

In the past fifteen years, an extensive body of literature on Europeanisation appeared, and it is almost impossible to determine the precise meaning of the term. More generally, Europeanisation is understood as the “impact of the EU” (Flockhart 2008: 5), and, more specifically, as the converging on rules and practices that states have to adopt in order to meet the criteria for the EU membership. This is in line with discarding of a special role for small states, for, with a constructivist analysis and by accentuating identity, one can draw some specific and interesting conclusions. Also, Wivel (2005) has termed the small state approach to study a “focusing device”, which still offers added value to such an approach.

Constitutive questions and a critical study of world politics now has a goal to create new and question the existing knowledge about foreign and security policy through the lenses of small states studies. Recently, Neumann and Gstohl (2006) have invited scholars to do further research because this field of study can contribute to the development of IR. There is a growing body of works that treat small states as “norm entrepreneurs” (Ingebritsen 2002) and agile agents (Aaltoala 2011) that can use their “size” as a comparative advantage in relations with larger states. For constructivism, I find appropriate Wendt’s version of “moderate constructivism”, which emphasises the logic of asking questions (Wendt 1999). On various strands of constructivism, see Checkel (2006).

In analysing foreign policy, one has to differentiate between various influences of other factors, which are not Europeanisation; however, in the case of Serbia, the EU has been a predominant influence, compared to other international organisations such as the UN or OSCE. Cf. Ruano (2012: 15).


Here, Europeanisation is termed “EU-isation” and is limited to “political encounters’, where specific political entities such as the EU and Member States engage in the transfer of institutional and organizational practices and specific policies” (Flockhart 2008: 6). Also, see Sedelmeier (2006) who uses the concept of “candidate Europeanisation”, thus broadening the study of the concept by moving away from the member states to the accession process.

In the context of the Western Balkans, Europeanisation can be seen through the lens of conditionality policy of the EU. See, for example, Anastasakis (2008). For the list of references about Europeanisation in specific studies, see Flockhart (2008, fn. 12).
Lessons Learned for the European Union

with the prevailing course in the study of the Europeanisation of the new candidate states, a category that Serbia now belongs to.\textsuperscript{20}

As De Flers and Muller (2010: 4) note, Europeanisation is a “top-down process, whereby stimuli and commitments that emerge from the EU level produce changes in various aspects at the national level”,\textsuperscript{21} while, according to Vachudova, this process aims at convergence in reform trajectories (Vachudova in Sedelmeier 2006: 8). In the literature, this phenomenon is also known as “download” Europeanisation.\textsuperscript{22} In this regard, Serbia has embarked on a course of adopting the EU legislation, while the EU exercises its influence in a top-down relationship (e.g. political conditionality), without much opportunity for Serbia to “upload” its positions and interests vis-à-vis the EU agenda.\textsuperscript{23} This is important in order to understand whether Europeanisation is perceived in a candidate country as an opportunity or a challenge for a small state’s foreign and security policy.\textsuperscript{24}

**Europeisation in context**

Europeisation in Serbia and Croatia has been the subject of some previous studies.\textsuperscript{25} For example, in her 2011 article “Europe is a State of Mind”, Subotić employs the notions of identity convergence and identity divergence to explain the various paces of internal reforms in Serbia and Croatia. For Subotić (2011: 310) identity convergence is a process by which political actors strategically emphasise shared norms and values and disregard contradictory ones in pursuit of particular political goals. Conversely, identity divergence is a mechanism by which domestic coalitions resist norms and rules of Europeanisation and instead define the national community in contrast to Europe.

Conversely, I do not analyse the mechanisms of domestic political or party dynamics; rather, I want to see how the content of state identity affects national

\textsuperscript{20} Cf. Sedelmeier (2006: 8): “Specifically, the key question that guides these studies is to what extent and how the EU influences domestic political change in these countries.”

\textsuperscript{21} This definition of Europeanisation applies to the relations between the EU and its member states, but here we want to analyse the SAP instead. Also, there is the bottom-up approach as elaborated in Borzel (2002).

\textsuperscript{22} Cf. Borzel (2002).

\textsuperscript{23} As Ruano (2012: 13) notes speaking about the member states, the “EU layer of institutions puts pressure on domestic structures and/or policies to adapt”. Similarly, this can be said of the candidate states as well.

\textsuperscript{24} The Europeanisation of foreign and security policy aims at approximation on certain issues (e.g. the situation in Ukraine in 2013/2014) – on which the Serbian position, being between the EU and Russia, could be roughly termed “neutrality”.

\textsuperscript{25} Here, due to space constraints, I do not analyse the case of Slovenia, but juxtapose the cases of Serbia and Croatia, which show greater similarity.
I. Europeanization of the Foreign Policy

interests and, subsequently, actions towards the EU or other institutional entities. I adopt this dichotomy and use it to analyse state identity in order to shed light on the discursive sources of the contemporary Serbian foreign policy in context.

Identity can be perceived internally and externally, thus the convergence/divergence between an internally (self-)perceived identity (e.g. perception by the Serbian political elites) and an externally perceived state identity (e.g. by the EU). This intersubjective process of constructing state identity is contingent, and such an identity shall be compared to the notion of an expected behaviour of a state. For Goetschel (1998: 28), in an early attempt to apply constructivism to the study of small state behaviour, “the norm concept serves to describe collective expectations for proper behavior of actors with a given identity”. In this sense, a small state is expected to behave in a certain way due to systemic pressures and particular dynamics of international politics, on the one hand, or its action is motivated by a certain understanding of its past and present, on the other hand. This connects the debate to the content of identity, which, for Wendt (1999: 231), precedes national interests and concrete foreign and security policies.26

I do not consider identity as being reified and just an intervening variable in the formulation of foreign policy. State identity is likely to have a decisive impact on a foreign policy action, which is mediated and flows indirectly from the identity. Here, I imply that a polity in its identity construction enterprise builds a certain sub-identity, which is based on its understanding of the “smallness” or its “size”.27 This gives a certain autonomy to the notion of small state identity vis-à-vis the state identity proper.28

Serbia seems to be a case in point when it comes to divergent state identities:29 from the 1990s until 2013, in international relations, Serbia displays mostly the characteristics of a small and, at the domestic level, weak state – which is how it

26 “Identities refer to who or what actors are. They designate social kinds of states of being. Interests refer to what actors want. They designate motivations that help explain behavior /…/.” However, identities by themselves do not explain action, since being is not the same thing as wanting, and we cannot “read off” the latter from the former (Wendt 1999: 231).

27 This moving force that changes foreign policy is a product of the perception or the consciousness of decision-makers about identity, which is identified by looking at discourses about state, foreign policy and security. In this sense, certain types of state identity, which have been constituted and perceived by relevant political actors, affect foreign policy actions indirectly, via values and interests. Cf. Ashizawa (2008).

28 For example, Wendt (1999) differentiates between four types of identity that can be applied to state: corporate, type, role, collective.

29 Here, I draw on Subotić (2011), who argues that “Europe is a state of mind”, and that identity convergence and identity divergence explain the compliance, or the lack thereof, in the case of the Europeanisation of Croatia and Serbia.
is mostly perceived in the international society.\textsuperscript{30} On the other hand, some political actions and discourses by its decision-makers create an impression that Serbia constitutes at least a middle power (state) when dealing with global problems or, sometimes, problems within the region.\textsuperscript{31} The important trends in Serbia’s foreign policy after 2000 can be traced best if we study the discourses in the official foreign policy documents, such as strategies and speeches of top decision-makers. This can enable us to see how the policy develops through time and how these representations of state identity correspond to the notion of small state foreign policy.

First, I am going to look at the period during the Milošević regime, which was characterised by “isolation” and “irrational foreign policy” (Dragojlović et al. 2010: 280). The Milošević regime was characterised by the demise of Yugoslav power and a certain “megalomania”, which placed Serbia in an untenable position – the divergence of state identities was at its peak: the role of middle-power uncooperative state was played and it was largely played against Serbia’s own good.

What was basically a defeat in the Yugoslav wars, a destroyed economy, the wrecked socio-political cohesion and the erosion of material and ideational capabilities was a prelude to the democratic transition, which started in October 2000. This was a symbolic watershed, and a precondition for the subsequent democratic transition and Europeanisation.

**ANALYTICAL FRAMEWORK**

The analytical framework that I develop here deals with the dichotomy between convergence and divergence (Subotić 2011) and its combining with the internal/external perception of state identity (cf. Goetschel 1998; Banchoff 1999). This is a move that yields four types of foreign policy scenarios that depend on the level of convergence in state identity. The outcomes, the product of specific actions dependent upon national interests, can be most or least favourable for a state. First, convergence maximum provides the most favourable outcomes for a state, which are the result of its understanding of Europeanisation as an opportunity, and with the absence to its external security (with its being ontologically secure). Convergence maximum would accommodate “smart” foreign policy strategies, “agile agency” and a correspondence between identity self-perception and national capabilities and an established foreign policy. Some examples of such foreign policy that come to mind are Denmark, Finland, Switzerland. Convergence minimum leads to the foreign policy outcomes that are less favourable for a state on all counts and, from the point of view of policy...

\textsuperscript{30} Many EU documents and reports, as well as many speeches of its officials, come close to this conclusion. On state weakness and state-building in the Western Balkans, see Kovačević (2011).

\textsuperscript{31} See, for example, Jović (2011). For the sake of comparison, and illustration, Croatia portrays a high-level of convergence in its perceived and expressed state identity, as a small state.
changes, it is mostly characteristic of a domestic status-quo policy towards a deeper integration with the European Union. A nascent state identity in an integration context is contested from a fragmented political field and is facing various pressures from within. An example of this would be a slowdown in the EU integration process in Serbia during the government of Vojislav Koštunica. *Divergence minimum* has it that foreign policy outcomes may be unfavourable and the state is considering alternative policy goals due to significant contestations at the domestic elite level, where some competing claims for the reconstitution of state identity are put into place. This is similar to divergence minimum, but the trend is still moving towards the negative side of the spectrum. *Divergence maximum* represents the least favourable position, where the internal and external dimensions of state identity are in a complete disarray. The perceived interests and foreign policy goals are leading to confrontation and conflict. A good example of this would be the Serbian politics during the 1990s.

In the next section, I explore the underlying discourses in Serbia’s foreign policy strategic documents after 2000 in order to track down the elements which can be called markers of state identity. I then use those markers to discuss state identity in the light of the Serbia’s foreign policy action. Discourse analysis is applied to the principal foreign policy documents in post-2000 Serbia.\(^3\) Also, the analytical framework is used in order to understand in more depth the dynamics between internal and external dimensions of state identity formation and its effects on foreign policy actions/behaviour.

**THE EUROPEANISATION OF SERBIA’S FOREIGN POLICY AFTER 2000 – AN UNEVEN PATH**

Serbia’s foreign policy after 2000 has been shaped predominantly around its goal to re-enter the international society, by using the European integration as a cover for a complete turnabout in the policies of the Milošević regime. The story of Serbia’s foreign policy transformation is a story of seeking a new state identity during an exercise in state-building. Immediately after the democratic changes, Serbia had to discontinue clearly the policies of the old regime, and seek a thorough reorientation of its foreign policy. The then foreign minister Goran Svilanović first charted the course of a new foreign policy, and presented what is arguably the best strategic document

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\(^3\) The following official documents are analysed: Expose of Foreign Minister Goran Svilanović (24 October 2001); President Boris Tadić’s inaugural address (11 July 2004); Expose of Foreign Minister Vuk Drašković (21 December 2004); Expose of Foreign Minister Vuk Jeremić at an ambassadorial conference in Belgrade (16 December 2007). All are collected in Dragojlović et al. (2010). Also, the National Security Strategy of the Republic of Serbia (2009) is taken into consideration as a document outlining some directions of national policies.
Lessons Learned for the European Union

Serbia has had in the past couple of decades. Basically, the priorities of the new foreign policy were to break-up with the damaging policies that miscalculated national interests and missed completely the variable of the international system during the 1990s. Basically, Serbia led an irrational foreign policy that brought isolation, fears and the collapse of the overall national capacities, a course that had to be abandoned and a new direction had to be charted. There was not much to think about in terms of possible alternatives – joining the European Union became the most important long-term strategic goal for Serbia, together with a broad revitalisation at home after a decade of harmful policies. Flexibility and awareness of the fast-changing international environment became one of the main principles of Serbian foreign policy in the early years after the democratic changes.

How can the state identity be interpreted in this period? Svilanović made it clear that Serbia cannot be unrealistic about its international standing anymore and that “it has to act as an impoverished and small country, without great pretensions while leading a thought-out and rational foreign policy which fits its largely constrained possibilities” (Svilanović in Dragojlović et al. 2010: 286). It can be said that, as opposed to Milošević, whose politics of isolation fitted a somewhat irresponsible and classic great power-like attitude, Serbia moved on to change its standing, aspirations and perception of its international persona. That was more than a “simple political pragmatism” and “shall apply to all spheres of societal life”, the exposition reads (in Dragojlović et al. 2010: 286). This discursive discontinuity with the old regime was a hint towards a small state identity, especially when bearing in mind the call for flexible and smart foreign policy based on a regional focus, the EU integration and balanced relations with great powers.

The process of Europeanisation across the Western Balkans was seen as a panacea for all ills of the societies in transition. The Thessaloniki Agenda of 2003 and the subsequent political openings of the Union did not bring about any instant solutions, but a perspective of membership was officially kept in place. Serbia’s domestic problems were too great and its state capacities, as well as its political will, still insufficient to go for all-out political reforms and modernisation. The state identity and Serbia’s foreign policy were mostly fitting a small state posture, while not entirely discarding the heritage of the former Yugoslav policy of non-alignment. Later, this position became a basis for debates on neutrality, which, during the Koštunica government, in 2007 discarded the arguments for Serbia’s membership in NATO.

In 2004, President Boris Tadić expressed Serbia’s foreign policy goals as spreading the good neighbourly relations and being a pillar of the region – which suggests that Serbia sees its role as yet to be realised. One can wonder what the purpose of Tadić’s

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conceptualisation was. In terms of identity, Serbia had to consolidate its new image in Europe and the world in opposition to that of the Milošević era. This search for a state identity and a new role for Serbia is still going on, ten years after Tadić’s inaugural speech in the National Assembly (in Dragojlović et al. 2010: 306–10). As Ejdus (2011: 18) notes, at the end of 2006, a basic consensus on “the priorities of official foreign and security policy of the Republic of Serbia” began to emerge. Discourses around Serbia as a “leader in the region” and an “exporter of security” also became prominent. However, the mounting internal problems, such as the unresolved status of Kosovo, soon became the greatest obstacle for the development of a new state identity. This “unfinished” state-building effort was the key element for completing any state identity – be it small, middle or great. Given the discourses from this period, the state identity was still showing the elements of a small state behaviour, acknowledging the geopolitical circumstances, state capabilities and the unresolved matter of national identity in general. This was resolved to some degree in 2006 when Montenegro declared independence, thus bringing to an end the State Union and Yugoslavia in its various utterances.

The period after 2006 is somewhat more confusing in regard to state identity – because Serbia was again paralysed by the issue of Kosovo, which largely shaped its relations with the world in the years to come. In 2008, Kosovo declared independence, and Serbia formed its foreign policy around the protection of its territorial integrity and sovereignty in a bid to contest the move by Kosovo. That demanded an open and agile foreign policy, which was embodied in the role of Minister Vuk Jeremić. During his term in office, it appeared that Serbia was playing far beyond a small state profile thanks to his very lively activity in international diplomacy on behalf of the country (with the goal of preventing rapid international recognition of Kosovo’s statehood). The discourse and style of this sort of “hyperactive” diplomatic activity of Serbia supported a perception of itself as being a sort of a middle power which pursues diplomacy and international law to confront the plans of other states and fighting for its interests – far beyond its security region. In this regard, for a few years, the perception of Serbia from the inside and the outside was marked by this sort of diplomatic activity, which did not match any long-term strategy of the state nor its material resources.

Serbia was still burdened with internal controversies and problems of cooperation with the ICTY, and putting all efforts into Kosovo did not contribute to making much progress in terms of integration with the European Union. Serbia’s state identity was shaped almost exclusively around the struggle for non-recognition of Kosovo’s independence. With the Kosovo issue slowly getting down the political top-charts and with the rise of economic and other problems during the financial crisis of 2008, the European integration progressed somewhat, and the country was granted the status of a candidate state in 2014, after leaving behind the long shade of conditionality policy of the EU. This is just a formal step with a huge symbolic power, while the relations with Kosovo under the supervision of the EU are in the phase of “normalisation”. The effects of Europeanisation are best visible in this case,
which may enable further transformation of foreign policy as a consequence of a changing state identity.

DISCUSSING SMALL STATE IDENTITY AND SERBIA’S FOREIGN POLICY

The role of Europeanisation in the case of Serbia was rather limited when it comes to foreign and security policy. A typical small-state behaviour would be to join the political and security arrangements which enable collective security and represent the beaten track of regional integration. The case of Croatia is illustrative, with the country becoming a member of NATO (2009) and the EU (2013), while Slovenia joined NATO and the EU even several years earlier. Serbia, on the other hand, seems to have taken quite the opposite trajectory, which steps away from this “conventional wisdom” of Euro-Atlantic integration, lagging behind in the process of modernisation and membership negotiations. Why is this so? Small states literature would support the cases of Croatia and Slovenia, but Serbia’s case would be a clear exception.

The arguments for such a unique practice in foreign and security policy have to be sought in the state identity. The political elites in Serbia, as authentic interpreters of the values, goals, principles and traditions in foreign and security policies, have shown some striking consistencies as well as inconsistencies in choosing their goals. Europeanisation was seen more as a top-down process, and the political elites did not utilise it as a means for introducing reforms and choosing policies that would facilitate faster accession. It is not an aim of this paper to explain the whole spectrum of national politics in Serbia, but to look for certain markers of state identity in the field of foreign relations.

In the period between 2006 and 2008, Serbia was facing tremendous internal state-building challenges – renewing its statehood and dealing with the independence of Kosovo, which was a great stimulus which nudged the state identity away from the small state identity. Seeking an active role and confronting the states which recognised the independence of Kosovo, maintaining somewhat colder relations with the EU and strengthening the relations with Russia constituted a live and diverse foreign policy which would not follow the suit of a small state identity, but that of a middle power. The activity in the United Nations, the use of the International Court of Justice and an active diplomacy of Minister Jeremić created the impression of Serbia’s improved international standing. However, this seemed like a mirage built on inadequate capabilities, while being consistent with the previous foreign policy doctrine of 2001.

The challenges of the global economic crisis and a domestic political shift, with the rise of the Serbian Progressive Party (SNS) to power in 2012, seem to indicate a convergence towards Serbia’s identity as a small state that is aware of its great problems and weaknesses. This is supported by the elite support and a rising consensus

34 For Slovenia’s small state foreign policy see, for example, Bojinović (2005).
about the necessity of political and economic cooperation with the European Union. However, there are some attempts at the diversification of that cooperation – seeking partnerships and investments from outside the EU, primarily from Middle Eastern countries, in order to preserve the state of ailing state finances. At the same time, the discourse of neutrality is prominent when it comes to the Atlantic integration as well as keeping a balanced position regarding the conflict in Ukraine (2013–2014). However, accession negotiations with the European Union may indicate that the state identity is getting in the mould of a small state, which bases its identity on a realistic estimate of its capabilities and aims at decreasing the gap (divergence) between its self-perceived self and its externally-perceived self in the international society. The statements by President Tomislav Nikolić and Premier Aleksandar Vučić hint at moving in this direction.\(^{35}\)

**Figure 1:** The analytical matrix of state identity convergence/divergence in foreign policy

Given the analytical matrix above, one could classify Serbia’s foreign policy with regard to the effects of Europeanisation on the content of state identity. In the 1990s, the *divergence maximum* was exercised: the country was in international isolation, and the European Union had a limited role in the Western Balkans, especially in relations with Serbia. The period after 2000 is marked by the decreasing divergence and a slow rise of convergence – with the period around 2001 being the *convergence maximum* with the realisation of international engagement, and a pretty favourable ratio between national capabilities and the country’s perceived international standing – resulting in the re-entering of Serbia in international society (its membership in the UN unfrozen, financial institutions, relations with the EU, and other bilateral ties).

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\(^{35}\) On multiple occasions, they stated that Serbia is a “small” and “impoverished” country.
Lessons Learned for the European Union

*Divergence minimum* is the period between 2004 and 2008, during the Koštunica government, characterised by the dominance of the Kosovo discourse in political life as well as the low in the Europeanisation efforts for Serbia. Also, the introduction of military neutrality discourse also contributed to the change in state identity which is incompatible with the material capabilities necessary to support such posture. The period after 2008, can be marked as *convergence minimum*. The start of the EU accession negotiations could indicate a gradual move towards a greater convergence in state identity.

This approach tells us how foreign policy dynamics can be explained by tracing the constitution and reconstitution of state identity. One of its variations is a small state identity, whose potentiality depends on the material capabilities of the state, as well as on its ideational and normative content. The European Union has a major role, potentially, in shaping the state identities of its small candidate states, either through political or “regular” conditionality and by means of other mechanisms at its disposal. This is what Goetschel (1998: 28) calls “standards of appropriateness” upon which a state may construct its identity. The notion of state identity helps us understand both (internal and external) sides of the process of Europeanisation, and analyse particular stages in the accession process. As opposed to the rationalist approaches that insist on material factors and the analysis of foreign policy outcomes over processes, the constructivist approaches help us learn about the changing content of identities and actors, which constitute a complex and contingent life. In this sense, foreign policy analysis and the study of Europeanisation benefit from the study of identity and its formative discourses. They contribute to a better understanding of policy formation and its critical junctures. Also, the study of small states, as a “focusing device”, is a good place to introduce the study of identity as an alternative to the more established theories, such as neoclassical realism and other realisms. Constructivism seems to have sparked a new round of interest in small states as a legitimate subject of IR. This is particularly relevant for the understudied (sub)regions of the world (i.e. the Western Balkans), which could benefit from studies based on diverse theoretical approaches.

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Lessons Learned for the European Union


II. EU AS A GLOBAL ACTOR
THE ISSUE OF CLIMATE CHANGE IN THE EU-RUSSIA RELATIONS

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Abstract

The European Union (EU) and the Russian Federation are strategic partners that have proclaimed clean environment as one of their aims, they rank amongst top five global GHG emitters, and they will both be seriously affected in case of inefficient climate change mitigation. However, they play different roles in international climate change politics and, in their bilateral relations, they focus primarily on issues of security, energy, human rights and current foreign policy questions. This paper therefore explores how the issue of climate change appears in their bilateral relations, focusing on the highest political level of their institutional dialogue, i.e. the EU-Russia summits along with key conceptual political and legal documents framing their relations. It finds out that the issue of climate change has become a reality in the EU-Russia relations, that it has been progressively incorporated in key documents and materialised in an increasing number of projects with a positive effect on climate change mitigation. Nevertheless, the issue of climate change receives sporadic attention in the EU-Russia relations and has not become a permanent agenda item and an area of continuous cooperation. Firstly, more attention is devoted to the issue when it is also high on the agenda in the international arena, reflecting the periodic character of this new reality in the EU-Russia relations. Secondly, climate change cooperation and mitigation in the EU-Russia relations is implicit and strongest within the field of energy cooperation, focusing on the issues of energy efficiency and energy saving that represent an important step towards improving the energy security of both actors. And thirdly, the paper also reveals that the current security and foreign policy issues (e.g. 9/11, Georgia, Syria and Ukraine) still prevail in the EU-Russia bilateral relations, thus determining decisively the extent of attention devoted to the issue of climate change, which has, nevertheless, become a new reality in the EU-Russia relations.

Keywords

Climate change, energy, environment, EU-Russia relations, European Union, Russian Federation
INTRODUCTION

The European Union (EU) and the Russian Federation are strategic partners that proclaimed clean environment as one of their aims, their “strong interest in deepening cooperation in the field of environment” and commitment “to the goals and principles of the United Nations Framework Convention on Climate Change and the Kyoto Protocol”, as stated by leaders of the EU and the Russian Federation in Moscow in May 2001 (7th EU-Russia Summit Joint Statement 2001). Furthermore, they “agreed that the environment must remain a major priority in their relations” (8th EU-Russia Summit Joint Statement 2001) and “to strengthen cooperation on climate change and implementation of the Kyoto Protocol” when roadmaps for the creation of the four Common Spaces at the 15th EU-Russia Summit in May 2005 in Moscow were adopted (Council of the European Union 2005).

The EU and the Russian Federation rank amongst the top three greenhouse gases (GHG) emitters in Annex I of the Kyoto Protocol (UNFCCC 2013a) and amongst top five global emitters – in 2008 they accounted for approximately one fifth of global CO₂ emissions following China and USA (EPA 2013a). And both are expected to face serious climate change implications in future in the absence of effective mitigation. Russia as the coldest country encompasses three climatic zones and is divided into 18 climatic regions, characterised by uneven distribution of precipitation and permafrost extending over almost 70 % of all land area. The annual mean surface temperature is projected to rise faster in Russia than globally resulting in serious permafrost melting, temperature anomalies, droughts and other potential extreme weather events (RosHydromet 2008), such as the extensive forest fires in 2010. Similarly, in the EU, changes in precipitation, increases in temperature and decreases in ice and snow, which established new records in recent years, are observed and further climate change impacts are projected for the future (EEA 2012). Since costly consequences of climate change can be significantly reduced by mitigation and adaption, it is of high importance how the EU and Russian Federation address the issue of climate change not only in multilateral fora but also in their bilateral relations.

Namely, in the international fora, the EU has participated actively in the formation of a global international climate change regime from its very first inceptions, in 1992 with the adoption of the United Nations Framework Convention on Climate Change (UNFCCC)36 and in 1997 with the adoption of the Kyoto Protocol.37 With the Bush administration taking up office and the US withdrawal from the process of global climate change regime formation, the EU claimed the role of leader, which peaked in 2005 when the Kyoto Protocol finally entered into force, and in following years with the adoption of comprehensive climate and energy package in the EU

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revealing its ambition to ‘lead by example’ (Van Schaik 2012). However, its leading role could be questioned after the Copenhagen Summit in 2009 (Groen and Niemann 2013). The Russian Federation, on the contrary, never claimed a leading role in the international climate change mitigation and adaptation – in the 1990s, it was mostly occupied with internal issues, whereas in the new millennium it initially focused on economic and security issues and only in recent years made some steps towards a more active role in climate change issues nationally and internationally. As Lioubimtseva (2010) claims, the Russian Federation, being a major CO₂ emitter and the largest national terrestrial carbon sink, has “a huge potential to play a much more prominent role in the future international climate policy”. However, after the Russian Federation withdrew from the second commitment period of the Kyoto Protocol, the Russian leadership assumed a kind of a ‘stand-by mode’ in the international climate politics waiting to see if the other major emitters (China and the USA) get involved in the post-2012 international climate change policy (Kokorin and Korppoo 2013).

Summing up, the EU and the Russian Federation proclaimed to cooperate in fighting climate change, they are top emitters, and they will be seriously affected by the consequences of climate change; however, they have performed quite differently with regard to climate change mitigation in the international arena. Nevertheless, the EU and the Russian Federation are vital pieces of the global climate change puzzle. Therefore, we believe it is relevant to analyse how the issue of climate change arises in the EU-Russia relations in general and how the leaders treat it at the highest political level of their dialogue. According to the proclaimed aim to cooperate in the fight against climate change and the potential consequences in case of an unsuccessful or insufficient action, this issue ought to be an important reality in the EU-Russia relations at the highest political level. However, a brief overview of the EU-Russia relations in the past two decades leads to the assumption that the EU and the Russian Federation deal mostly with the burning current questions of security, energy, human rights and international issues, to name just few, leaving hardly any space for the issue of climate change. Therefore, despite the gravity of the issue, climate change appears to be a fictitious issue in the EU-Russia relations. Thus, the primary goal of this paper is to review how the issue of climate change arises in the EU-Russia relations. The issue of climate change will also be considered briefly in the context of the EU-Russia energy relations and energy security in particular.

FRAMING THE ANALYSIS

With the extraordinary environmental and climate phenomena in the last two decades (rising average temperatures, the melting of polar ice-caps, droughts, hurricanes, etc.) the issue of climate change has also gained in political importance and reached high on the international agenda, especially in the EU. Along with the increasing awareness of harmful impact and the need to mitigate and adapt to the changing
Lessons Learned for the European Union

climate, scholarly work on the topic has also appeared. It encompasses a substantial body of works in natural, technical and social sciences. The latter, in relation to the EU, focus mostly on the EU’s role in international climate policy, where some works examine the role of the EU by identifying and analysing distinct time periods and features (e.g. Wurzel and Connelly 2011). A second extensive body of scholarly works examines the positioning of the EU in the international climate change negotiations and focuses (Van Schaik 2012), first, on the content of the EU climate policy, second, on climate politics with regard to the aspirations of the EU as a foreign policy actor, and third, on the policymaking process behind it, analysing decision-making provisions and the role of various EU actors involved in this process. In analyses of the EU’s role in the international climate change policy, be it through the prism of periods or subjects, four dominant approaches can be identified: leadership, the EU actorness, normative power Europe, and the EU performance (ibid.).

Works on the EU-Russia relations focus mostly on the leading political bilateral issues, primarily on security issues, energy and human rights. There is hardly any work that addresses the EU-Russia relations directly from the viewpoint of climate change. The annual performance of the EU and its institutions in dealing with the Russian Federation is, for instance, assessed in the framework of the European Foreign Policy Scorecard, which, among other areas, also briefly examines the relations with Russia on climate change in years 2011, 2012 and 2013 (European Council on Foreign Relations 2013). Therefore, the primary aim of this paper is to review how the issue of climate change arises in the EU-Russia relations. Climate change is understood in terms of the UNFCCC (Art. 1) as “a change of climate which is attributed directly or indirectly to human activity that alters the composition of the global atmosphere and which is in addition to natural climate variability observed over comparable time periods”. To do so, the paper will focus, first and foremost, on the political dimension of the EU-Russia relations at the highest institutional level, i.e. the EU-Russia summits, by analysing adopted joint declarations, statements and press conferences following the EU-Russia summits.

Regular biannual EU-Russia summits, as the highest level of interaction, have taken place since 1997, when the Partnership and Cooperation Agreement (PCA)38 was adopted, and thus far 32 summits have taken place, the last one in January 2014 in Brussels. In this survey of the summits and their outcomes, 12 joint statements, one joint declaration and 17 joint press conferences will be reviewed (see Table 1) with the focus on, firstly, whether or not, and if yes, in what context the issue of climate change appeared on the summit agenda, and secondly, what the outcome of the respective summit was as regards this item on its agenda. Additionally, other relevant sources (press releases, interviews, etc.) will be included in the analysis.

Furthermore, key conceptual political and legal agreements will be analysed in order to establish comprehensively how the EU and the Russian Federation deal with the issue of climate change in their current legal and political framework (see Table 1). During the analysis, the issue of climate change will also be examined briefly with regard to the energy security of the EU, the question that has been high on the agenda especially after the gas disputes with the Russian Federation and the development of comprehensive climate and energy legislation in the EU. The analysis will thus combine descriptive and explanatory elements by also investigating the driving factors behind the EU and Russian foreign policy with regard to the issue of climate change in the EU-Russia relations as well as the link between how both actors operate and what they have managed to achieve. In the analysis, the major external factors will also be taken into consideration, e.g. international community, natural disasters, etc.

THE EU-RUSSIA INSTITUTIONAL FRAMEWORK

Relations between the EU and the Russian Federation have evolved since 1989 when the first formal relations between the European Community and the Soviet Union were established with the adoption of the Trade and Cooperation Agreement. The present legal framework represents the Partnership and Cooperation Agreement (PCA) adopted in 1994 and in force since 1997 for the period of ten years. At the 21st summit in June 2008 in Khanty-Mansiysk, the start of negotiations to draft a new agreement was announced (21st EU-Russia Summit Joint Statement on Launch of Negotiations for a new EU-Russia Agreement 2008) with the last, the 12th round of negotiations taking place in December 2010 (Russian Mission to the EU 2013). In the following two years the negotiations came to a standstill, however, at the 31st summit in Yekaterinburg in June 2013, the leaders expressed willingness to try to solve the crucial elements and, as van Rompuy stressed (31st EU-Russia Summit News Conference 2013), to “find a way forward with regards to the Eurasian Economic Commission” and its competences. Similarly, at the last, the 32nd summit, that was held in Brussels in January 2014, Vladimir Putin stressed the intention to “accelerate work on the new EU-Russia framework agreement” in time, if possible, for the next summit in Sochi in June 2014 (Russia-EU Summit 2014). In June 2014, however, the summit did not take place due to the crisis in Ukraine. Nevertheless, the PCA has been renewed annually since 2007 and remains in force until a new basic agreement is reached. 90 bilateral and multilateral agreements complement the PCA and the legal framework of the EU-Russia relations (Treaties Office Database 2013).

**Table 1:** The EU-Russia summits with outcomes and key conceptual documents reviewed.

<table>
<thead>
<tr>
<th>No.</th>
<th>Year</th>
<th>Date</th>
<th>Location</th>
<th>Outcome</th>
<th>Document</th>
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<td>2012</td>
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<td>7 December</td>
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<td>Rome</td>
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<td>1997</td>
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II. EU as a Global Actor

November 2002 joint statements and reports

8 October 2001 Brussels joint statement

17 May 2001 Moscow joint statement

30 October 2000 Paris joint declaration

29 May 2000 Moscow joint statement

22 October 1999 Helsinki joint statement

27 October 1998 Vienna joint statement

15 May 1998 Birmingham joint statement

3 March 1997 Moscow joint statement
The PCA that covers political dialogue and a range of policy areas also established an institutional framework within which regular consultations between the EU and the Russian Federation take place. The highest-level consultations take place biannually at the presidential level (the EU-Russia summits) and occasionally at various international fora. The two sides meet regularly at the level of Foreign Ministers, the ministers responsible for various policy areas meet within the Permanent Partnership Council (PPC), senior EU officials meet their Russian counterparts, the Russian ambassador to the EU meets monthly with the Political and Security Committee, and finally, the EU and the Russian Federation meet at expert level to discuss various international issues (Delegation of the European Union to Russia 2013). Besides this, consultations on human rights take place regularly as well as meetings between the European and Russian members of parliament. Within the current institutional framework, this paper will focus primarily on the highest level of interaction, i.e. the EU-Russia summits and the key conceptual documents (legal in political) framing the relations between the two actors (see Table 1).

CLIMATE CHANGE IN THE EU-RUSSIA RELATIONS IN THE 1990S

In the PCA, the EU and the Russian Federation set the objectives of their partnership in Article 1, where they set “foster/ing/ sustainable development in the Parties” (PCA: Art. 1) as one of the objectives. In Article 69 of the PCA, they pledge to “develop and strengthen their cooperation on environment and human health” in order to combat “the deterioration of the environment”. As one of the particular aims of the cooperation, the parties also mention global climate change, where cooperation should take place particularly through “development of strategies” (ibid.: Art. 69). In the area of energy (ibid.: Art. 66), the cooperation should include, among other things, the “improvement of the quality and security of energy supply, in an economic and environmentally sound manner”, “promotion of energy saving and energy efficiency”, and “the environmental impact of energy production, supply and consumption, in order to prevent or minimise the environmental damage resulting from these activities”. Thus, on the one hand, at the beginning of the 1990s, despite the fact that UNFCCC was already adopted and in force, the parties did not treat climate change as one of the main objectives of cooperation in their bilateral relations. They only set development of strategies as their particular aim with regard to climate change. On the other hand, parties devoted more attention to the area of energy, where they set environmentally much stronger aims by addressing various levels of supply chain along with the security of energy supply and energy efficiency. If these aims had been realised, they would have constituted an important contribution to fighting global climate change. However, concrete measures were not established and the aims determined in the PCA remained in the 1990s only on paper.
In 1999, both parties adopted strategies that should guide their relations. In June, the EU adopted the Common Strategy of the European Union on Russia,\(^{40}\) in which it proclaimed environment as one of the common challenges on the European continent and “the common property of the people of Russia and the European Union”. As priorities in this area, the EU listed “sustainable use of natural resources, management of nuclear waste and the fight against air and water pollution, particularly across frontiers” (Common Strategy of the EU on Russia 1999: 3). Climate change is not explicitly mentioned in the strategy; nevertheless, the EU should cooperate with Russia particularly (Common Strategy of the EU on Russia 1999: 7):

a. on energy and nuclear safety by “enhancing the Russian commitment to energy sector reform, including nuclear safety and environmental protection” by improving energy efficiency and providing technical assistance on energy conservation in Russia and by improving the nuclear safety in Russia, and

b. on environment (and health) by “supporting the secure storage of nuclear and chemical waste”, “by supporting environmental considerations in economic reforms”, “by assisting in the creation of effective systems for monitoring and ensuring compliance with multilateral environmental agreements” and “by supporting Russian efforts to strengthen the enforcement of national environmental legislation”.

Similarly, climate change is not explicitly mentioned in the Russian Medium-Term Strategy for relations with the European Union (2000–2010) presented by Vladimir Putin in Helsinki on 22 October 1999.\(^{41}\) The Strategy that defined the objectives of the Russian Federation in relations with the EU for the next decade referred to the establishment of strategic cooperation between the EU and the Russian Federation and listed, as the stages in the building of it, “preservation of the environment and the establishment of decent human living conditions in Europe”, “cooperation in space research including in the formation of the global navigation system, telecommunications and monitoring of the environment” (Medium-Term Strategy 1999: 3). Besides security and political dialogue, the strategy focuses especially on the development of mutual trade and investments. With regard to the realisation of large investment projects aimed at the development of new gas and oil fields and energy transport systems, which should significantly contribute to all-European economic and energy integration, the Strategy emphasises that increasing energy efficiency in the Russian Federation and the EU will be rated as the most important tool to reduce the anthropogenic load on the environment and GHG emissions (Medium-Term Strategy 1999: 5).


Summing up, the issue of climate change is not mentioned explicitly in strategies, regardless of the fact that the Kyoto Protocol was adopted two years beforehand. The EU strategy mentions only ‘compliance with environmental agreements’; however, it does not specify how effective systems for monitoring and ensuring should be created. Nevertheless, strategies contain provisions with regard to preservation of environment in general and nuclear safety and sustainable development in particular. In addition to security and political dialogue, a strong accent in both strategies is given to the issue of energy (infrastructure, investments and efficiency) in the context of economic relations, meaning that both actors stress the importance of measures that would ensure their energy security implicitly having far more potentially positive consequences for climate change mitigation by reducing the overall bulk of their GHG emissions than other ‘environmental’ provisions.

CLIMATE CHANGE IN THE EU-RUSSIA RELATIONS DURING THE FIRST PUTIN’S ERA

At the end of the 1990s, the EU and the Russian Federation focused primarily on security issues and economic and trade relations, as well as on Russia’s on-going programme of economic and democratic reforms. Environmental issues with the exception of nuclear safety did not receive much attention. It was only in Paris, at the 6th EU-Russia summit, that the issue of climate change was mentioned explicitly on the eve of the Conference on climate change that took place in November in The Hague. The EU and the Russian Federation confirmed “a view to speedy entry into force of the Kyoto Protocol” whose implementation should enable them to strengthen “cooperation in the fields of energy and industry and to lend their contribution to the implementation of the Kyoto Protocol objectives” (6th EU-Russia Summit Joint Declaration 2000). Also in Paris, a decision to institute, on a regular basis, an energy dialogue was adopted, which should make it possible to raise questions related to the energy sector, thereby enhancing the cooperation in the energy area and ensuring progress in the EU-Russia energy partnership, also by including “the introduction of cooperation on energy saving”, which would have a positive impact on their energy security as well as on climate change mitigation by reducing GHG emissions as an externality of cooperation resulting in energy saving. The issue of climate change and the Kyoto Protocol was thus, for the first time, mentioned at the summit in Paris and, since then, it has often been addressed, albeit sporadically, in the EU-Russia relations (with some distinct peaks, see Chart 1). The first one was at the next two summits in Moscow and Brussels in 2001.
II. EU as a Global Actor

Chart 1: The issue of climate change and the Kyoto Protocol at the EU-Russia summits.

In Moscow 2001, at the 7th summit, the EU and the Russian Federation stressed their “strategic partnership in the energy field” and named as one of the priorities “adequate measures to combat climate change (e.g. as foreseen in the Kyoto Protocol)” (7th EU-Russia Summit Joint Statement 2001: par. 22). Special attention was also drawn to “energy efficiency as a way to limit the growth in demand and enhance environmental protection” (ibid.). In the joint statement, the parties mentioned their strong interest in their “cooperation in the field of environment” and their “willingness to pursue constructive participation in the Kyoto process in order to promote early entry into force of the Kyoto Protocol”. Great importance was attached to “the contribution that can be made through the implementation of flexibility mechanisms specified by the Kyoto Protocol” (7th EU-Russia Summit Joint Statement 2001: par. 30). At the next summit in Brussels in October 2001, the EU and the Russian Federation confirmed that “the environment must remain a major priority” in their relations, along with “early ratification and entry into force of the Kyoto protocol”, stressing that it “may help not only to reduce GHG emissions, but also to increase European investment in the energy sector in Russia in order to improve its energy efficiency and economic performance” (8th EU-Russia Summit Joint Statement 2001: par. 12). The EU also welcomed the Russian proposal made at the G-8 meeting in Genoa earlier that year to host a world conference on climate change in 2003 (ibid.).

These three summits give evidence that, at the beginning of the 2000s, the issue of climate change entered in the EU-Russia relations at the highest level. Nevertheless, it was discussed primarily in the framework of energy and economic cooperation, i.e. as an opportunity to strengthen it, and only then as a contribution to the Kyoto Protocol objectives, i.e. reducing the GHG emissions. In this regard,
the Russian Federation stressed the role of flexible mechanisms introduced by the Kyoto Protocol in increasing the European investments in the Russian energy sector. Similarly, the issue of energy efficiency was initially seen as a contribution to the energy security of both actors, and only then as a contribution to climate change mitigation. Although both, the EU and the Russian Federation, stressed cooperation in the implementation of the UNFCCC with a view to early ratification and entry into force of the Kyoto Protocol, it appears that pledges given on the eve of the 7th meeting of the Conference of the parties to the UNFCCC in Marrakesh, that resulted in the Marrakesh Accords on the rules of meeting the Kyoto targets, were not expressed equally *in bona fide*. The EU ratified the Kyoto Protocol on 31 May 2002, whereas the Russian Federation took two years more to ratify it on 18 November 2004 (UNFCCC 2013b).

However, the issue of environment received much attention also from the perspective of nuclear safety in Europe as well as in relation to the Northern Dimension Framework and the Northern Dimension Environmental Partnership (NDEP). Furthermore, at the summits that took place in Moscow (May 2002), Brussels (November 2002) and St. Petersburg (May 2003), the EU and the Russian Federation noted that “the environmental aspects of the Russia-EU relations are taking concrete shape in particular in the Northern Dimension Framework” (9th EU-Russia Summit Joint Statement 2002). An important operational feature of this cooperation represented the creation of the Northern Dimension Environmental Partnership Fund. On 21 May 2003, the Multilateral Nuclear Environmental Programme Agreement was signed further enhancing the cooperation in the environment field, especially on the issue of nuclear safety and waste in particular (11th EU-Russia Summit Joint Statement 2002). Nevertheless, the issues of environment and especially climate change were strongly pushed in the background by other events in the international community during that period, especially by the 9/11 terrorist attacks and the Middle East developments. The EU and the Russian Federation devoted their attention extensively to these issues and adopted the Joint Statement on International Terrorism (2001), two Joint Statements on Middle East (May 2002 and November 2002) and the Joint Statement on the Fight Against Terrorism (November 2002). Finally, in St. Petersburg in May 2003, the parties agreed to reinforce their cooperation by creating, in the long term, ‘four common spaces’ in the framework of the Partnership and Cooperation Agreement (11th EU-Russia Summit Joint Statement 2003).

Most attention comparing all past EU-Russia summits was devoted to the issue of climate change at the summit in Moscow in 2004, when Vladimir Putin confirmed the Russian decision to finally join the Kyoto process. However, at the joint press conference that followed the summit, he announced as one of the most concrete results of the summit the protocol on completion of bilateral talks on the Russian Federation’s accession to the World Trade Organisation (13th EU-Russia Summit Joint Statement 2004) and not the Russian decision to speed up the ratification process of the Kyoto Protocol, as his European counterparts did. Only later on, when answering the journalists’ questions, Putin clarified his (Russian) view with regard to the Kyoto protocol.
On the one hand, he denied linking the WTO and the Kyoto Protocol; on the other hand, he stated openly that the EU had made “some concessions on some points during the negotiations on the WTO” that would inevitably have “an impact on positive attitude to the Kyoto process” and “speed up Russia’s movement towards ratifying the Kyoto Protocol” (press conference following the Russia-EU Summit 2004). In another reply, he similarly stated that the agreement on Russia’s accession to the WTO “reduces the risk for Russian economy in the medium term” and it frees them to a certain extent “to move faster to resolve the question of Russia joining the Kyoto process” (ibid.), showing why the Russian Federation could be “postponing” the ratification of the Kyoto Protocol knowing that this was the key missing ratification opening the way for the protocol to enter into force. Having a trump card like this, the Russian Federation waited to see the conclusion of bilateral talks with the EU on its WTO membership and only then turned on the green light for the Kyoto process. And vice versa, the EU as a leading actor after the US withdrawal in pushing for the Kyoto process had a trump card in these negotiations with regard to the Russian WTO accession. At the end, both actors considered the outcome as a win-win situation. On the one hand, the Russians made a step towards their WTO membership and, on the other hand, the EU succeeded in kicking off the Kyoto process. The Kyoto process and the issue of climate change won, however, not by itself because of the need to mitigate climate change, but as a part of broader deal.

At the subsequent summits, an agreement was reached regarding “the importance of an active dialogue on how to continue international cooperation on climate change after the end of the first commitment period of the Kyoto Protocol in 2012” (16th EU-Russia Summit Joint Press Conference 2005), “closer cooperation in implementing the Kyoto Protocol” (17th EU-Russia Summit Joint Press Conference 2006) and their commitment to “stable economic development and to fighting climate change” (18th EU-Russia Summit Joint Press Conference 2006). It was stressed that, in today’s world, it was very important to consider “environmental issues as an integral part of economic cooperation” (ibid.) leading to the conclusion that the climate change mitigation should be addressed primarily within economic cooperation; however, no concrete policies or actions were introduced. Moreover, at the summits that took place in Samara in May and Mafra in October 2007, the issue of climate change was barely mentioned, with the exception that, in Mafra, the EU stressed “the importance of climate change and the need to give continuity to cooperation in this area” (press release of the 20th EU-Russia Summit 2007) indicating that the issue of climate change found itself in the background of the EU-Russia relations and its desire to give it a new impetus. Later on, in December 2007 at the UNFCCC Conference, the Bali Roadmap was adopted to pave the way for a binding agreement to be reached in 2009 at the Copenhagen climate conference.

Following the Russian ratification of the Kyoto Protocol and its entry into force in 2005, the issue of climate change received less attention at the EU-Russia summits. It was usually the EU that brought the issue back on the table and stressed its importance. Moreover, climate change was considered (primarily) an integral part
Lessons Learned for the European Union

of economic cooperation and did not receive any special attention from the Russian side in the second presidential mandate of Vladimir Putin. However, more attention was devoted to the issue by Dmitry Medvedev after he took up office as the new President of the Russian Federation.

CLIMATE CHANGE IN THE EU-RUSSIA RELATIONS DURING MEDVEDEV’S TERM

Dmitry Medvedev took up office as the President of the Russian Federation in May 2008 and, already in the beginning of his term, he clarified the Russian position on the post-Kyoto process as he stressed that the only way was to “tie the interests of the countries participating in the Kyoto process with the interests of the countries that have chosen not to participate” (Medvedev 2008). The Russian Federation thus announced its readiness to cooperate in the quest for a post-Kyoto agreement, however, under the condition that all countries take part in combating climate change, i.e. including developed countries that are not bound by the Kyoto Protocol as well as developing countries that were not obliged to reduce their GHG emissions. “Either we all have to work on this together or we have to abandon these attempts” (ibid.).

After the armed conflict between Georgia and the Russian Federation in August 2008 and the gas crisis in January 2009 that resulted in gas disruptions in Europe, the relations between the EU and the Russian Federation plunged and the issue of climate change received hardly any attention at the summits in Nice in November 2008 and in Khabarovsk in May 2009, marked gravely also by the global economic and financial crisis. The 24th summit that took place in Stockholm in November 2009, on the eve of the Copenhagen climate conference, was on the contrary, to a large extent, devoted primarily to the issue of climate change. An important role in this was played by Sweden that set the issue of climate change as one of the priorities of its presidency of the Council of the EU (European Commission 2013a). Fredrik Reinfeldt also stressed openly the importance of the Russian Federation “to get the deal in Copenhagen” (24th EU-Russia Joint Press Conference 2009). The EU welcomed the Russian proposal of the emission reduction target of 35 % and confirmed that the parties agree that “reductions both in developed and developing parts of the world” are necessary to reach the agreed target of two degrees maximum of temperature rise (ibid.).

This summit indicated a potential future climate partnership between the EU and the Russian Federation in the international climate change politics or, in the words of Dmitry Medvedev: “Our countries are among the world leaders in the extent of their voluntary commitments in this area, and their desire to take this process forward” (24th EU-Russia Joint Press Conference 2009). The Copenhagen conference, however, ended with an accord that was drafted by only five countries during the last night without the European and Russian participation, thus undermining the foundations of the potential EU-Russia leadership in the global climate change politics at least in the medium term period.
In December 2010, at the 26th EU-Russia summit in Brussels, the issue of climate change was discussed as a second agenda item following global economic environment while the climate conference in Cancun was taking place. Dmitry Medvedev stressed that both parties strived for a “comprehensive and compulsory agreement”, underlining also the colossal drought and wildfires in Russia that occurred in summer 2010 (26th EU-Russia Summit Joint Press Conference 2010). In Cancun, the parties to the UNFCCC agreed upon a package to help developing countries deal with climate change, however, a ‘comprehensive and compulsory agreement’ including all countries and with clear targets was out of reach. Similarly, the participating states could not reach such an agreement in Durban in 2012, when a decision was taken to blueprint a new agreement that will deal with the issue of climate change beyond 2020. In parallel, the issue of climate change and the potential second Kyoto period received no attention at the EU-Russia summits in Nizhny Novgorod and Brussels in 2011, in St. Petersburg and Brussels in 2012, in Yekaterinburg in June 2013, and in Brussels in January 2014. At the forefront of the EU-Russia relations were discussions on recovering from the global crisis and the Partnership for Modernisation, Russia’s accession to the WTO, energy sector issues and visa liberalisation, negotiations on a new agreement, human rights and current international security and foreign policy issues (Syria, Iran, the Middle East, etc.). Especially the summit in January 2014 was marked by the current political crisis in Ukraine, which completely overshadowed other issues in the EU-Russia relations. Furthermore, due to the crisis in Ukraine, the EU-Russia summit that should have taken place in June 2014 in Russian Sochi was cancelled, which happened for the first time since 1997.

CLIMATE CHANGE AND COMMON SPACES

Despite the ongoing political dialogue at the highest level and the will expressed by both actors to cooperate intensively in numerous areas, the relations between the EU and the Russian Federation came to a standstill and the leaders decided at the summit in St. Petersburg in 2003 to reinforce cooperation in the long term by creating four ‘common spaces’ in the framework of the PCA; a common economic space, a common space of freedom, security and justice, a common space of cooperation in the field of external security, as well as a common space of research and education, including cultural aspects. Besides that, the existing Cooperation Council was strengthened as a “Permanent Partnership Council” (11th EU-Russia Summit Joint Statement 2003). Two years later, the roadmaps for the four common spaces were approved at the summit in Moscow in 2005.

The first and most comprehensive is a Common Economic Space with the objective to create “an open and integrated market between the EU and Russia” (15th EU-Russia Summit Press Release of the Council of the EU 2005). Within a common economic space, cooperation in energy fields was to be enhanced, and moreover, it was also agreed “to strengthen cooperation in the area of environment, notably on
climate change and the implementation of the Kyoto Protocol” (*ibid.*). In its last, sixth section on environment, the Roadmap sets the objective “to promote respect of the environment and commitment to international environmental agreements, such as the United Nations Framework Convention on Climate” (*Roadmap for the Common Economic Space 2005: 17*). Furthermore, it states, that activities in the area of environment should be integrated into all sectors taking into consideration the existing programmes, such as the already mentioned Northern Dimension Environmental Partnership (*ibid.*). In accordance with this objective, the EU and the Russian Federation should cooperate to support the implementation of the UNFCCC and the implementation of the Kyoto Protocol and its flexibility mechanism (*ibid.*).

In parallel, in the fourth section on energy, the parties set the objective to intensify cooperation, in the EU-Russia Energy Dialogue framework, with regard to “sustainability and reliability of the production, distribution, transportation and use of energy, including energy efficiency, energy savings and the use of renewable energies” (*Roadmap for the Common Economic Space 2005: 14*). The parties should, therefore, aim to converge their “energy strategies, policies and regulatory measure, including with regard to energy efficiency and savings” (*ibid.*).

In the ‘energy section’, special attention is thus given to sustainability and reliability of the supply chain and the use of energy in order to ensure a higher level of energy security for both actors. Measures to improve energy efficiency and savings and the use of renewable energy sources go hand in hand with the flexibility mechanisms introduced by the Kyoto Protocol and mentioned in the ‘environment section’. Namely, the Kyoto Protocol introduces three flexible mechanisms: Emissions Trading, the Clean Development Mechanism (CDM) and Joint Implementation (JI). The latter is defined in Article 6 of the Kyoto Protocol and, as a project-based mechanism, it allows industrialised countries to carry out joint implementation projects with other developed countries to earn Emission Reduction Units (ERU) that count towards meeting their Kyoto targets (*UNFCCC 2013c*). Despite a vast potential for energy efficiency and GHG emissions reductions in the Russian Federation, the fact that the Kyoto Protocol entered into force and the Roadmap was approved in 2005, and that both the Russian government and industry perceived joint implementation projects as a positive feature of the Kyoto Protocol (*Sharmina et al. 2013: 378*), only limited progress was achieved at the beginning.

In 2007, the Decree No. 332 was adopted that designated the Ministry of Economic Development and Trade as the national body responsible for the adoption of JI projects (*Douma et al. 2010: 294*). Rules on approval and assessment of JI project realisation were adopted and in 2007 and 2008 the ministry issued additional orders to complete the necessary legal framework for the consideration and approval of JI projects (*ibid.: 294–95*). However, it took two more years before, in July 2010 and 6 years after the Kyoto Protocol was ratified, 15 JI projects were
approved with estimated 30 million tonnes of CO₂ equivalent emission reductions by 2012 (Sharmina et al. 2013: 379). The limit for GHG emission reductions (and/or removals) through JI projects in 2008–2012 was set to 300 million tonnes of CO₂ equivalent (Douma et al. 2010: 295) and by November 2012, 108 projects were approved with an estimated potential of 311.6 million tonnes of CO₂ equivalent (Sharmina et al. 2013: 379).

Given the potential benefits of JI projects for the Russian Federation, the delay in the implementation is difficult to explain. The identified obstacles to the promotion of JI projects in the Russian Federation were the lack of appropriate national legislation, the governmental shift after the presidential elections in 2008, the global financial crisis and the lack of certainty with regard to the post-2012 international climate regime (Douma et al. 2010: 297–98). Additionally, Sharmina et al. (2013: 379–80) argue also that the industrial and financial lobby representing the Russian energy sector could be impeding strong environmental regulation ‘as an obstacle to exploiting Russia’s natural resources’. The author of this paper could not attain the data on the share of the EU firms in Russian JI projects; however, foreign enterprises are interested because of comparatively low abatement costs since there are more possibilities there – than, for instance, in most European countries – to enhance energy efficiency due to deteriorating equipment. The Russian energy-saving potential is estimated at 39–47 % of its energy consumption with two thirds of it in energy sector and energy-intensive industries (Douma et al. 2010: 293). As of 1 September 2013, the Russian Federation hosts 182 JI projects and ranks second among all countries (see Table 2 and Chart 2), meaning that, in less than a year, additional 74 projects have been approved since November 2012, which shows that the overall process has been rushed.

Table 2: Host country for Joint Initiative projects, number of projects and kERUs.

<table>
<thead>
<tr>
<th>Subject of the initiative</th>
<th>Track 1</th>
<th>Track 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Host country for JI projects</td>
<td>Number of Projects</td>
<td>Issued kERUs per year</td>
</tr>
<tr>
<td>Russia &amp; Ukraine</td>
<td>144</td>
<td>2 455 26</td>
</tr>
<tr>
<td>Poland</td>
<td>11</td>
<td>200</td>
</tr>
<tr>
<td>Brazil</td>
<td>6</td>
<td>510</td>
</tr>
<tr>
<td>Norway</td>
<td>4</td>
<td>350</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>4</td>
<td>350</td>
</tr>
<tr>
<td>Lithuania</td>
<td>1</td>
<td>50</td>
</tr>
<tr>
<td>Slovakia</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Others</td>
<td>45</td>
<td>854</td>
</tr>
<tr>
<td>Total</td>
<td>182</td>
<td>3 336</td>
</tr>
</tbody>
</table>

Source: UNEP 2013.
CLIMATE CHANGE AND THE PARTNERSHIP FOR MODERNISATION

At the 24th summit in Stockholm in 2009, Dmitry Medvedev at his first summit pointed out “the need for the modernisation” of the Russian economy (24th EU-Russia Joint Press Conference 2009) and proposed an initiative to launch a partnership between the EU and the Russian Federation, which was realised at the next summit in Rostov-on-Don when the Partnership for Modernisation was launched. The parties committed “to address common challenges with a balanced and result-oriented approach, based on democracy and the rule of law, both at the national and international level” (Joint Statement on the Partnership for Modernisation 2010: 1) and set priority areas amongst which we find “promoting a sustainable low-carbon economy and energy efficiency, as well as international negotiations on fighting climate change” (ibid.: 2). At the next summit in Brussels, a work plan was adopted as a regularly updated rolling working tool listing activities within the partnership that should be executed through Environmental Dialogue (Work Plan for activities within the EU-Russia Partnership for Modernisation 2012: 3). The latter was launched back in 2006 with high-level meetings (Permanent Partnership Council in Environment) held in Helsinki in 2006 and in Moscow in 2009.

Within the Partnership for Modernisation, both parties agreed on activities with regard to, first, regulation of industrial activities, exchange of experiences on best available techniques, compliance enforcement, reduction of power intensity of production and cleaner production; and second, a shared environmental

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43 Work Plan for activities within the EU-Russia Partnership for Modernisation. 2012. Adopted on 7 December 2010 and revised on 23 May 2012.
II. EU as a Global Actor

information system (launch of the Russian component in the project) \(\text{\textit{i bid.}}\). Comparing the plan of ‘environmental’ activities with planned activities with regard to energy issues (general energy issues, energy efficiency, energy saving, renewable energy sources and concrete projects in the energy sector – see Work Plan, Tasks 1.1.1., 1.1.2. and 1.1.3), we can conclude that the EU and the Russian Federation set up a much more comprehensive and courageous plan of energy cooperation activities and projects with larger potential positive outcomes for climate change mitigation than in the environment respect. Analysing the realised projects and their outcomes is beyond the scope of this paper, however, it would offer a better evaluation of the arising assumption that climate change cooperation and mitigation in the EU-Russia relations is implicit and strongest within the field of energy cooperation.

**CLIMATE CHANGE IN THE EU-RUSSIA ENERGY RELATIONS AND THE NORTHERN DIMENSION**

A key dimension of the EU-Russia relations concerns energy. On the one hand, the Russian Federation represents the biggest supplier of energy resources to the EU with 36 % of total gas imports, 31 % of total crude oil exports and 30 % of total coal exports originating from Russia. Russia is also the uranium exporter to the EU (European Commission 2013b). On the other hand, the EU is Russia’s largest trade partner for energy goods, importing 80 % of all Russian oil exports, 70 % of all Russian gas exports and 50 % of all Russian coal exports \(\text{\textit{i bid.}}\). Despite the obvious interdependency, the energy relations experienced a great deal of ups and downs in the past especially with regard to the Russian natural gas exports, while some issues still remain unsettled.

An important feature of the EU-Russia energy relations is the Energy Dialogue established back in 2000 at the Paris summit. The dialogue should “provide an opportunity to raise all the questions of common interest relating to the sector, including the introduction of cooperation on energy saving, rationalisation of production and transport infrastructures, European investment possibilities, and relations between producer and consumer countries” (6\(^{th}\) EU-Russia summit Joint Declaration 2000). The dialogue helped to overcome, but not prevent, the gas dispute in 2009, and to reach the agreement on Early Warning Mechanism to guarantee “an early evaluation of potential risks and problems related to energy supply” (European Commission 2013c). Furthermore, the Energy Dialogue paved a way to realise 10 joint projects in the field of energy, focusing on the clean and efficient use of fuels, technology cooperation, energy efficiency and renewable energy having a concrete impact on GHG emission reductions in the Russian Federation (European Commission 2013d). Since 2012, the daily work of the dialogue has been conducted by four thematic groups, one of them being the Energy Efficiency Group whose objective is also to implement the EU-Russia Energy Efficiency Action Plan.
In March 2013, the European commissioner for energy Oettinger and the Russian minister of energy Novak signed the Roadmap – EU-Russia Energy Cooperation until 2050,\textsuperscript{44} stressing also the universal climate challenge (UN agreement on the 2 degrees objective) (Roadmap – EU-Russia Energy Cooperation until 2050 2013: 4) and recognising the enormous potential with regard to energy efficiency, especially in the Russian Federation, and immense cooperation potential (\textit{ibid.}: 25–6). The Roadmap lists many common activities indicating the way how cooperation between the parties could be enhanced in future (\textit{ibid.}: 26), briefly: up to 2020 by focusing on “mutual learning and exchange of best practices between the EU and the Russian Federation, and also on the interaction mechanisms improvement in energy efficiency area”;

- up to 2030 by improving the “scale and depth of the Russia-EU cooperation in this sphere including shift to larger mutually beneficial commercial projects”;
- up to 2050 by continuing to “work towards a strong energy efficiency component inside the pan-European energy space aiming at energy efficiency without borders”.

However, to be able to assess comprehensively the climate change dimension of the EU-Russia relations, we ought to also go beyond the bilateral level of the EU-Russia relations and bring into analysis the cooperation within the Northern Dimension (ND) initiative, a joint policy between the EU, the Russian Federation, Norway and Iceland that was initiated in 1999 and renewed at the Helsinki Summit in November 2006. Namely, the parties set as one of the key thematic issues cooperation with regard to environment and established a separate Northern Dimension Environmental Partnership (NDEP) and a Support Fund that has become an important facilitator of numerous environmental projects in the Russian Federation. The Fund, which is co-financed with the EU and the Russian Federation as major donors, has concentrated on financing the priority environmental projects that may not be financially viable otherwise (European Union External Action 2013). Since 2002, the NDEP has approved 14 environmental projects in North Western Russia in the total amount of 411.08 million euros (and only one in Belarus) and 10 nuclear projects all in Russia (162.31 million euros) (Northern Dimension Environmental Partnership 2013). Amongst environmental projects, there are several aimed at district heating rehabilitation (Kaliningrad, Vologda, Novgorod and Lomonosov District) with substantial CO\textsubscript{2} emission reductions and energy efficiency benefits.

\textbf{CLIMATE CHANGE IN THE EU-RUSSIA RELATIONS BEYOND 2012}

The EU and the Russian Federation have gone through a series of challenges and changes with regard to the climate change issue since 2008. For instance, the Russian

\textsuperscript{44} Roadmap – EU-Russia Energy Cooperation until 2050 – Дорожная карта энергетического сотрудничества России и ЕС до 2050г. 2013. Adopted on 22 March in Moscow.
Federation adopted a Climate Doctrine in 2009 and the Climate Action Plan in 2011, acknowledging that a major part of the country is already affected by climate changes and trying to endorse plausible policies. Besides lacking quantitative climate change targets, little has been done on the realisation of suggested policies. Similarly, President Medvedev announced Russian willingness to reduce GHG emissions by 25% below 1990 level by 2020, however, in practice, that would still imply growth in emissions (for example, emissions in 2012 were approximately 30% lower as in 1990) (Sharmina et al. 2013: 374–75), etc. Nevertheless, the Russian Federation remains one of the biggest GHG emitters, the biggest exporter of energy resources in the world, a country with enormous potential to improve energy efficiency and reduce GHG emissions, a country that will have to face major climate consequences in case of insufficient or unsuccessful climate mitigation, and also a country that decided to opt out of the second period of the Kyoto Protocol. However, a comprehensive international climate agreement is hard to imagine without determined Russian participation.

The EU, similarly, faces many new challenges, especially after the Copenhagen summit and its (for the EU) disappointing outcome. If the EU had been perceived as the world climate leader prior the COP-15, many politicians and experts now wonder to what extent the EU remains the leader or at least one of the key players in the international arena when climate change is at stake. Both, the EU and the Russian Federation have not discussed openly the issue of climate change at the EU-Russia summits since the Copenhagen conference, giving priority to the issues of economic and financial crisis, modernisation of the Russian economy, security, energy and foreign policy issues. Finally, as world governments agreed at the UN climate conference in Durban 2012 to draw up a new universal agreement to address climate change beyond 2020, drawing from past summits this issue is expected to receive again more attention in the EU-Russia relations before the 21st UN climate conference, which will take place in December 2015 in Paris.

CONCLUSION

Since the establishment of relations between the EU and the Russian Federation, we can distinguish four periods with regard to the question of how the issue of climate change arose at the highest political level, that is, at the EU-Russia summits and in the key conceptual documents framing their relations. The first period, up to 2000, was a time when climate change was not considered an important issue in bilateral relations. It is barely mentioned in the PCA and not mentioned in the strategies adopted in 1999. Actors mention sustainable development as a common Partnership objective and focus in particular on nuclear safety and fight against pollution, whereas the Russian Federation focused on dealing with internal issues (security, financial crisis and economic reforms). In the international community, the UNFCCC has been in force since 1994 and the Kyoto process was launched with
the adoption of the Protocol in 1997. This, however, was not reflected in the EU-
Russia relations.

In the second period, the Russian Federation under President Vladimir Putin in
2000–2008 resolved the main internal issues and started to act more decisively in
the international arena backed by its economic growth and increasing revenues from
energy exports. In that period, the EU claimed climate leadership after the US with-
drew from the Kyoto process and was striving for the entry into force of the Kyoto
Protocol, where the Russian ratification turned out to be the key missing part. The
issue of climate change thus entered the EU-Russia summit agenda and received full
attention in 2004, when the EU was actively striving to see the Russian ratification
of the Protocol. The Russian Federation finally decided to join the Kyoto process
in 2004, after the adoption of the Protocol on completion of bilateral talks on the
Russian Federation’s accession to the WTO. In this period, the external context was
beneficial to the EU aspirations. On the one hand, the Russian Federation was look-
ning for a confirmation of its key role in the international community in general and
in global climate regime in particular and, at the same time, it was negotiating the
WTO accession. On the other hand, the US withdrew from the Kyoto process with
the Bush administration taking up office while developing countries (BASIC) had
no commitments under the Kyoto protocol and no role in its entry into force. The
EU thus succeeded in saving the Kyoto Protocol and played a key role in getting the
Russian Federation to join the process. This was also the period when the issue of
climate change was high on the agenda, however, once the Kyoto Protocol entered
into force, it received hardly any attention in the EU-Russia relations until 2009.

In the third period, at the outset, the Russian Federation under the new President
Dmitry Medvedev in 2008–2012 and the EU focused on security (Georgia) and
energy (gas crisis) issues, and only on the eve of the Copenhagen climate confer-
ence the issue of climate change received their full attention. The Russian Federation
acknowledged the need to mitigate and adapt to climate change with the adop-
tion of the Climate Doctrine and proposed a GHG emission reduction target that
seemed significant (at least on paper). The Russian attempt to enter climate negotia-
tions more noticeably and get recognition of its key role in the international climate
change mitigation process suited the EU goal to reach a consensus in the interna-
tional community and to adopt a comprehensive and compulsory agreement. The
EU and the Russian Federation once again stressed their willingness to cooperate,
which, however, was not realised later on at the Copenhagen climate conference,
primarily because the participating countries were not able to reach a consensus as
the US and BASIC countries went solo in drafting the (for the EU) disappointing
Copenhagen Accord. Prior to the climate conference in Copenhagen, the issue of
climate change was thus, for the second time, again high on the EU-Russia summit
agenda; however, following the Copenhagen summit, the issue of climate change
slipped into the background of the EU-Russia relations on account of the economic
and financial crisis, security, energy and current foreign policy issues. Despite the
climate conferences in Cancun (2010), Durban (2011) and Doha (2012), the EU
and the Russian Federation failed to discuss the issue of climate change at the highest political level.

In the current period, from 2012 onwards, on the one hand, the Russian Federation withdrew from the second commitment period of the Kyoto Protocol, materialising its view on the climate change process that all countries should take part. On the other hand, in the Russian Federation, the legislation focusing on energy efficiency as well as climate change mitigation and adaption was adopted, and numerous JI and other environmental projects were approved. Public opinion has gradually started to recognise climate change as a problem and the number of NGOs dealing with this issue is on the rise (Sharmina et al. 2013). The EU aims to pursue the goal to adopt a comprehensive and compulsory agreement by 2015 to take effect after 2020, however, the issue of climate change has still not been placed on the EU-Russia summit agenda especially on the account of current international security issues (Syria and Ukraine). Nevertheless, as 2015 approaches, this issue is expected to enter the agenda and gradually receive more attention.

In parallel, the review of the key conceptual documents framing the EU-Russia relations shows that, initially, the EU and the Russian Federation devoted hardly any attention to the issue of climate change. More attention was paid to other environmental concerns, such as the fight against pollution and nuclear safety. Later on, however, the issue of climate change was progressively included in the documents (Roadmap for the Common Economic Space, Northern Dimension, Partnership for Modernisation) as parties agreed on cooperation with respect to the UNFCCC and the implementation of the Kyoto Protocol that, in the end, also resulted in concrete projects (JI projects, NDEP projects) with positive effects with regard to climate change mitigation.

The issue of climate change has thus become a reality in the EU-Russia relations in the last decade, however, we have to note that it has not (yet) become a permanent feature of the EU-Russia dialogue at the highest political level. It appears on the agenda and receives full attention at the EU-Russia summits only in parallel with the attention it receives in the international arena (entry into force of the Kyoto Protocol, the Copenhagen climate conference). Nevertheless, with the evolving political and institutional framework of the EU-Russia relations, the issue of climate change is progressively incorporated especially in energy measures and policies. The paper thus suggests that climate change cooperation and mitigation in the EU-Russia relations is implicit and strongest within the sphere of energy cooperation focusing on the issues of energy efficiency and energy saving that represent an important step towards improving the energy security of both actors.

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II. EU as a Global Actor


II. EU as a Global Actor

A BREAKTHROUGH FOR THE EU’S MEMBERSHIP IN INTERNATIONAL ORGANISATIONS: THE PROSPECTS AND CHALLENGES OF THE EU’S MEMBERSHIP IN FAO

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Abstract

After the end of the Cold War, the constant negation of European integration by Eastern European countries and the USSR diminished. Since the pressure from the Eastern bloc within international organisations was reduced, membership of the European Union became more probable. The European Community (EC) becoming a member of the Food and Agriculture Organisation (FAO) in 1991 was a breakthrough, which advanced further the status of the European Union (EU) in other international organisations and treaty bodies. Even though there was some resistance, from the United States among others, greater visibility and influence over the activities within several important organisations at the global level was achieved by the EU.

On 26 November 1991, the EC became the 161st member of the FAO. Since it was the first time that the EC became a member of a specialised UN agency, this accession represented an institutional step forward. Furthermore, it was the first and only time that the FAO welcomed a “regional economic integration organisation” as a member (Constitution of the Food and Agriculture Organisation of the United Nations – FAO Constitution: Art. 2). The article will analyse the case of the EU’s membership in the FAO, its advantages and disadvantages, and how it has contributed to the growth of the EU's membership in international organisations since then. The formula adopted within the amendments of the FAO constitution regarding the membership of regional economic integration organisations has proven to be the most suitable definition for the EU’s membership. The article will give a historical background and an overview of the EU’s membership in the FAO, taking into consideration its prospects and challenges, as well as the lessons that can be learned from it.

Keywords

European Union (EU), Food and Agriculture Organisation (FAO), international organisations, membership in international organisations

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45 Eastern European countries together with the USSR put pressure on the member states of both the FAO and the Northwest Atlantic Fisheries Organisation (NAFO) regarding the EC’s participation in these organisations.
INTRODUCTION

The European Union’s membership in international organisations is an important issue, because of the major role that international organisations play in global and regional cooperation between states. The future of the European Union is challenged by global international organisations, for the latter are called upon very often to work out solutions to problems that individual states are no longer able to deal with on their own. The European influence in the world can be emphasised with the EU’s membership in those organisations. Moreover, this gives a chance to the EU to be empowered in dealing with global questions, such as free trade, technical standards, environmental protection, free flow of telecommunications etc.

With the ongoing process of globalisation and the parallel process of European integration, it is natural that the EU has become a player on the world scene. Since contemporary international relations involve not only states but also international organisations, it comes naturally that there must be interaction between them and the European Union.\(^46\)

However, since the EU’s membership in international organisations will diminish the individual political influence of member states on the international scene, it is, to some point, understandable that member states have reservations about this process. In most of the cases, they are ready to allow the EU to “join the club”, but not to replace them.\(^47\) The shared membership of the EU and member states is more acceptable from the member states’ perspective, but it creates quite a complex situation both inside the EU and in the international organisation in question.

On the international side, different international organisations regulate membership issues differently. Some allow only states to be members and they only grant observer status in different variations to the EU. However, there are a few cases where a clause was added to the constitution of an international organisation or the constitution was amended in order to allow the accession of another international organisation. Usually, the right to accession was either limited to the EU or the definition of regional economic integration organisation was made to fit the EU specifically.\(^48\)

The Food and Agriculture Organisation is a permanent international organisation with a broad range of activities in the field of food and agriculture. The EC and today the EU possess exclusive competence in numerous fields of the FAO’s activity. In other areas of the FAO’s functioning, the EU shares competence with its member states. As a result of the transfer of competences from the member states to the EC\(^49\) in a range of matters within the FAO’s competence, such as agriculture, fisheries, trade, health and consumer protection, the EC’s accession became necessary. In

\(^{46}\) For more on this issue see Hobe (2009).
\(^{47}\) For more on this issue see Sack (1995).
\(^{48}\) The case of the FAO Constitution can be used as an example.
\(^{49}\) Especially after the Single European Act was enacted in 1987.
addition, the significant dedication of the FAO to solving development issues in the world indicated the strategic objective of the EC’s development policy. Therefore, it is important to understand the relation between the EC/EU and the FAO, especially since the EC’s accession to the FAO posed a number of problems and interesting solutions.


The European Community became a member of the FAO in 1991. However, even before becoming an official member, the EC had established close cooperation with the FAO. The cooperation was based on an exchange of letters between the FAO Secretariat and the EC Commission in 1962. The main components of the cooperation that were provided within the exchange of letters were: regular exchange of information and documentation; consultation about topics of common interest regarding food and agriculture, including fisheries and forestry; participation of observers, only if possible and on invitation, for meetings about topics of common interest, or about any topic which is appropriate for cooperation between the two organisations; the possibility of establishing a mixed committee to examine certain topics of common interest (Frid 1995: 230).

Furthermore, the EC enjoyed the observer status, which was privileged in connection to its right to speak. The practice within the FAO is that an observer has the right to speak only after all the members have finished their speeches. However, the EC was exempt from this practice. The member state that had the presidency of the European Council was allowed to ask permission to intervene on behalf of the representative of the Commission. The fact that the member states have transferred their competences to the EC on certain issues was the main argument used for this kind of exemption. Therefore, the member states were not competent to speak in cases where the EC had exclusive competence. Once the member state that held the Council presidency asked for permission to intervene, the chairperson of the meeting was the one to decide whether the EC could intervene, or it needed to wait until all members had spoken. In truth, the Commission was granted the right to speak whenever it asked. In cases of mixed competence, the speaker was often the representative of the state that was holding the presidency of the Council. However, like all other observers within the FAO, the EC remained excluded from the right to vote (ibid.).

At first sight, the fact that all EC member states were also members of the FAO, and they actively took part in its work, threw doubt on the need for the EC to become a member. A common position on the issues that were under the EC’s competence was a sufficient mode for functioning according to the member states.

On the other hand, the EC’s representatives clearly identified the need for the EC to become a member of the FAO in order to participate actively in all stages of the discussion and negotiation process in the appropriate bodies (Commission of the European Communities 1974). In December 1971, the Commission of the
European Communities informed the Council in a note about the insufficiency of the EC’s observer status in the FAO (Frid 1993: 241). According to the speech that Mr. Lardinois (1973), a member of the Commission of the EC in 1973, made in the FAO, “the days when agriculture could be regulated on an exclusively national basis are over. International cooperation in agriculture has become a prerequisite”. Furthermore, the EC had powers in the field of activity of the FAO, which were vested in it by the transfer of powers from its member states. The EC had explicit internal as well as external competence in the fields of common agricultural policy, common commercial policy and external fisheries policy. Consequently, these powers could be exercised within the international organisation only if the EC enjoyed the same prerogatives as the states, namely membership. Moreover, by acquiring membership rights, the EC would be able to exercise its influence from inside the FAO and bring with it its expertise on the activities of the FAO.

From the FAO’s perspective, some important advantages were considered to be gained from admitting the EC as a member. Having the EC as a member of the FAO was about to bring advantage to the cooperation between the organisations. Since the EC had most of the powers in the fields of action of the FAO, it was argued at the FAO conference that its admittance as a member would most certainly contribute to the fulfilment of the FAO’s objectives. The participation of the EC as a full member was seen as an act that would bring with it legal certainty concerning the fulfilment of obligations and liability in the event of their breach (Frid 1993: 241). If the EC was committed to the activities pursued by the FAO, all its member states would be committed as well. In certain cases, when implementing the FAO’s decisions in the fields of the exclusive competence of the EC and when measures had not been taken at the EC level, some member states had great difficulties. Cooperating with the Commission of the European Communities was more efficient from the FAO’s perspective, since the Commission was best informed about the EC’s policies. Furthermore, in the fields of the EC’s competence, the Commission was the one to speak on behalf of the whole EC. However, on the FAO’s side, there was one problem that was quite complicated. Namely, the FAO was a classical international organisation, which meant it admitted only states as members.

Although the EC and the FAO were aware of the necessity of the EC’s accession to the FAO, the member states of the EC and third parties which were members of the FAO were quite reluctant. The member states of the EC were very unwilling to give up any aspect of their sovereignty, in particular in the field of external relations. This was also reflected in the relatively limited express competence of

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50 A summary of the speech by Mr. Lardinois, Member of the Commission of the European Communities, at the annual meeting of the FAO in Rome, 13 November 1973, is available at: http://aei.pitt.edu/13962/1/S265%2DS266.pdf (25 June 2014).
51 See Report of the Conference of FAO, 26th session (FAO 1991: Suppl. 1 (4 point 10)).
52 On this issue see Sack (1995).
the EC for external activities under the Treaty of Rome. As for third parties, in the past the most consistent opponents of the EC, even in the FAO, were the Eastern bloc countries. However, after the end of the Cold war, the opposition from the Eastern bloc countries diminished and the situation changed significantly during the 1990s.

Besides all the obstacles previously noted, the Commission’s standing point in 1990 was the following (European Commission 1991: Pt. 1): “The European Community currently has observer status at the FAO, whose work largely relates to fields in which the Community is competent. The limitations of this status are such that the Commission has decided to initiate a campaign to obtain full membership.”

The accession of the EC to the FAO came as a result of several years of negotiations. On 22 October 1990, the Council of the EC sent a letter requesting commencement of accession negotiations to the FAO (ibid.), which were opened on the 1 February 1991. The Commission of the EC conducted the negotiations with the FAO. It acted within the framework of a negotiating mandate from the Council and in close cooperation with the presidency of the Council. The negotiations were successful. However, the EC was not able to submit a formal request for accession to the FAO until after the Conference of the FAO that adopted the final text of the amendments regarding the accession of regional economic integration organisations (REIOs) to the organisation (ibid.).

The result of the negotiations pointed out to the Council of the EC that the new Constitution and General Rules of the FAO were well-matched with the requirements of the EC and its member states. Therefore, acting on a proposal from the Commission endorsed by the European Parliament, the Council made a request for the admission of the EC as a member of the FAO. The formal request was submitted on 25 November 1991.53 The Commission’s proposal was based on the then Article 43 of the EEC Treaty,54 Article 113 of the EEC Treaty,55 and Article 235 of the EEC Treaty.56

The EC’s application of the Community was accepted at the Conference of the FAO. On 26 November 1991, at the end of the vote at the conference, the EC was accepted as a full member of the FAO.

53 On this issue see Frid de Vries (2010).
54 Today Article 43 of the Treaty on the Functioning of the European Union, referring to the implied external powers in the field of agriculture and fisheries.
55 Today Article 207 of the Treaty on the Functioning of the European Union, referring to the external powers in the field of the common commercial policy.
56 Today Article 352 of the Treaty on the Functioning of the European Union, referring to the additional external powers.
THE REIOS’ MEMBERSHIP IN THE FAO

Given the fact that the FAO, as a specialised UN agency, permitted accession only to states, its provisions needed to be amended. The FAO modified its constitution in order to allow the EC to become a member alongside its member states. In November 1991, the Conference of the FAO adopted Resolution 7/91. The main aim of this resolution was to amend the FAO Constitution and to allow regional economic integration organisations (REIOs) to become members of the FAO.57 At the same session of the FAO conference, the EC’s application for membership was approved. Therefore, the EC was the first member organisation approved to vote.

Article II of the FAO Constitution on membership has been amended in the following manner (FAO Constitution: Art. 2, par. 3):

The Conference may by a two-thirds majority of the votes cast, provided that a majority of the Member Nations of the Organisation is present, decide to admit as a Member of the Organisation any regional economic integration organisation meeting the criteria set out in paragraph 4 of this Article, which has submitted an application for membership and a declaration made in a formal instrument that it will accept the obligations of the Constitution as in force at the time of admission.

The conditions under which a REIO may become a member of the FAO are provided in Article II, paragraph 4. The first condition is that the majority of the member states of the REIO should be members of the FAO (ibid.: Art. 2, par. 4). The second one is that the REIO should possess competence, transferred to it by its member states, on matters dealt with in the FAO (ibid.). Finally, the third condition is that it should be able to take decisions on these matters which bind its member states (ibid.).

Article II, paragraph 3, provides a very important principle. Namely, unless otherwise provided, any reference in the FAO Constitution to member states applies in principle to member organisations (ibid.: Art. 2, par. 3). This principle is significant, especially as a guideline for legal interpretation of the rules of the FAO. When the question considering the status of member organisations is posed in practice, the assumption will be that it brings with it the same rights and obligations as the status of member states, unless specified otherwise (ibid.).

Furthermore, Article II, paragraph 3, sets down the principle of equality of members of the FAO. Specific reservation on member organisations can be found in the same article. That is, the limitation of the field of application of the principle of equality provided by Article II, paragraph 8. Paragraph 8 emphasises the principle of attributed powers. REIO’s competences limit its action within the FAO (ibid.: Art. 2, par. 8). That is to say, a REIO and its member states will always share competence in the areas of activity of the FAO. The first part of Article II, paragraph 8, gives a clear description of the above stated (ibid.): “A Member Organisation shall exercise

57 On this issue see Marchiso (2002).
II. EU as a Global Actor

Accordingly, the membership of a REIO is always a mixed membership. That is to say, the REIO’s membership is always combined with the membership of its member states. First, the fulfilment of the condition that the majority of the REIO’s member states are members of the FAO makes the REIO’s membership possible (FAO Constitution: Art. 2, par. 4). Next, the exercise of rights of membership is divided between the REIO and its member states according to their respective competence (ibid.: Art. 2, par. 8). The term “dependent membership” used by Frid (1993: 248–49) can explain that this type of membership of both member states and the REIO can hardly be called mixed membership. The member states of the REIO can become or may remain members of the FAO without the REIO becoming a member itself. But the membership of the REIO, which is a distinct legal person, is dependent on the requirement that the majority of its Member States are members of the FAO (ibid.). This situation might be a result of the fear of third parties that the member states of a REIO could obtain rights through the REIO, while not being members of the organisation. However, this fear is unfounded mainly because, according the FAO Constitution, the REIO as a member organisation should have the competence to take binding decisions for all its member states, and therefore, the member states of a REIO which are not member states of the FAO would receive, through their membership in the REIO, both the rights and the obligations of FAO membership.

Since all the member states of the EC were members of the FAO in 1991 and the EC had a number of exclusive competences in the areas covered by the FAO, the EC was the first REIO that fulfilled the abovementioned criteria and became a FAO member. Even today, after the EU enlargement, all 28 EU member states are members of the FAO.

DECLARATION OF COMPETENCE

According to the FAO Constitution (Art. 2, par. 5): “Each regional economic integration organisation applying for membership in the Organisation shall, at the time of such application, submit a declaration of competence specifying the matters in respect of which competence has been transferred to it by its Member States.”

Furthermore, in Article II, paragraphs 6 and 7, the FAO Constitution provides that the powers not mentioned in this list will be assumed to belong to the member states (ibid.: Art. 2, par. 6 and 7). Clarification of the division of powers on specific subjects can be demanded by any member of the FAO at any time. On the other hand, the member organisation and its member states are under an obligation to

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58 By the time of submitting this article, the EU was the only REIO that was a member of the FAO.
supply such information. Moreover, the procedural arrangements are regulated by the General Rules of FAO. Under Rule XLI, before each session of the FAO, the division of powers in relation to all questions to be discussed and the division of voting rights should be declared by the member organisation or its member states (General Rules of FAO: Rule XLI).

With regard to mixed agreements, the requirement for a declaration on the division of powers between the REIO and its member states is a common practice (Frid 1993: 250). By analogy, when it comes to the mixed membership in an international organisation such as the FAO, this requirement is a precondition as well. The EC did supply such a declaration when it became a member of the FAO. Accordingly, in 1994, after the entry into force of the Treaty on the European Union (TEU), the EC notified the new declaration of competence to inform the FAO of the changes brought in by the TEU.59 The declaration concerned not only the new denomination, but the new competences transferred to the EC in the FAO matters.60 Furthermore, due to the fact that on 1 December 2009, the EU has replaced and succeeded the EC, a new declaration of competence was submitted to FAO. The declaration on division of powers within the EU is desirable for parties that are not members of the EU in the interest of legal certainty. The parties external to the EU require information on who has to meet a specific obligation, the EU or its member states.

Finally, the FAO Constitution (Art. 2, par. 7) provides that any change regarding the distribution of competence between the member organisation and its member states shall be notified to the Director-General, who shall circulate such information to the other Member states of the organisation.

THE EC/EU AS A MEMBER OF THE FAO – THE VOTING RIGHTS

The EC accession to the FAO is regarded as an example of a successful accession to an already existing international organisation in theory. In practice, the situation is not entirely satisfactory.61 Practical difficulties exist on both sides – the EU and at the international level. The European Community became a member of the FAO alongside all of its member states. After the enactment of the Treaty of Lisbon, it is now the European Union that shares its membership within the FAO with all its member states. The EU and its member states have a combined membership in the FAO, which involves a system of alternate exercise of membership rights. In accordance with this system, the EU and its member states may vote on matters within their respective competence. The competent party vis-à-vis third countries

59 On this issue see Marchiso (2002).
60 The matters included: development co-operation, professional training, public health, and consumer protection.
61 For more on this issue see Goveaere et al. (2004).
in the FAO is indicated by the two declarations of competence. The first one is the
general declaration of competence that was submitted at the time of accession to
the FAO. It specifies for which matters competence has been transferred to the EC.
This declaration has been modified after the Treaty of Maastricht and the Treaty of
Lisbon came into force. Furthermore, the second declaration of competence is a
specific declaration that corresponds to the general declaration. Before each meet-
ing, a specific declaration indicating who is competent for every item on the agenda
is issued. Additionally, it indicates who will exercise the right to vote. The Council
and the Commission worked out an internal arrangement concerning preparation
for the meetings of the FAO. An arrangement was done in order to avoid practical
problems with the alternate exercise of voting rights.\textsuperscript{62} The arrangement provides
that the Commission shall, in advance of the EC’s coordination meetings, inform the
member states of its proposals regarding the statements and exercise of responsibili-
ties on a particular topic within the FAO.\textsuperscript{63}

In cases of shared competence, the right to vote depends mainly on the adoption
of a common position between the EU and the member states. In other cases, the
member states remain free to vote. When there is a common position established, it
needs to be determined who has exclusive competence over a particular issue. If the
“thrust of the issue” lies in an area of exclusive EC competence, the right to cast the
vote belongs to the Commission. The member states retain the right to vote if the
“thrust of the issue” lies in an area of national competence.\textsuperscript{64}

The coordination meeting of a Council Working Group AGRI-FAO in Brussels
is the place where it is determined where the “thrust of the issue” lies. Furthermore,
there are informal EU coordination meetings that take place in Rome. Those are the
meetings of the 28 Permanent Representatives of the EU to the FAO. The meetings
are held at least once in a month and before the FAO meetings if needed. The general
declaration of competence that was submitted by the EC at the time of accession
and, later on, with the TEU and the Treaty of Lisbon entering into force, gives some
indication of the division of powers to the other members of the FAO. In the prac-
tice of mixed cases, the “thrust of the issue” lies mostly within the member states.
However, it mostly is the Presidency that presents the common position. Article II,
paragraph 10, of the FAO Constitution establishes the principle of “no additional
vote”. In the case of the EU, it means that the EU may cast votes on matters within
its competence in any meeting of the FAO in which it is entitled to participate.

\textsuperscript{62} The Council and the Commission concluded the first internal arrangement in 1991. After the
entry into force of the Lisbon Treaty, together with the updated declaration of competences, a
new arrangement between the Council and the Commission for the exercise of membership
rights of the EU and its member states was adopted (European Commission 2013).

\textsuperscript{63} On this issue see Heliskoski (2000).

\textsuperscript{64} Ibid.
However, when the EU casts votes, their number must be equal to the number of its member states which are entitled to vote in such meeting. Whenever the EU exercises its right to vote, its member states shall not exercise theirs. The opposite situation occurs when the member states exercise their right to vote. In that case, the EU is not entitled to vote. In this way, the FAO is providing guarantees that the EU and its member states will never cast more votes than the number of member states of the EU which are entitled to vote. In practice, the formal voting procedure has been replaced by the procedure of consensus. However, it does not seem to affect the system of the alternative exercise of voting rights. In that case, the division of powers will determine whether it is the EU or the member states who have the power to prevent the adoption by consensus of a certain draft under negotiation (Frid de Vries 2010).

 Shortly after the accession of the EC to the FAO, the first practical difficulty in applying the rule of alternative exercise of membership rights was exposed. During the negotiations for a FAO Agreement to Promote Compliance with International Conservation and Management Measures by Fishing Vessels on the High Seas, the Council and the Commission could not come to an understanding on the exercise of the actual voting rights. The decision adopted by the Council in November 1993 was giving the member states the right to vote in the FAO for the adoption of the Agreement. The Commission challenged the validity of the decision in the Case C–25/94 Commission v. Council (FAO). The main disagreement between the Commission and the member states were the clauses on the attribution and changing of flags. Those clauses were included within the first draft. Disagreement arose because of the fact that the registration of vessels lies within national competence. On the other hand, the conservation and management of fishery resources falls within the exclusive competence of the EC. Both the Commission and the member states agreed that the negotiation and conclusion of the agreement was an issue of shared competence. Nevertheless, they disagreed as to the exercise of the right to vote. They argued that the thrust of the draft Agreement fell within their own sphere of competence. Despite the fact that the clauses on registration and flagging were removed in the second draft and it was indicated to the FAO that it would be the member states who would vote, the disagreement persisted. Following the vote of the member states and the adoption of the Agreement, the Commission requested that the Council, in its Fisheries formation, should approve a declaration. According to the Commission, the declaration needed to state that the Agreement should have been approved by the Commission alone and, in the future, it would be the Commission who would vote on matters of that nature (Koutrakos 2006: 165–75). The Council refused to do so and confirmed the approach already adopted. That constituted the subject-matter of the action brought before the European Court of Justice (ECJ).

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According to Koutrakos, the court applied its well-known functional approach to the material scope of the action for annulment under Article 230 EC (*ibid.*). The court accepted the admissibility of the action by concluding that the Council’s decision as to voting rights in the FAO had legal effects. According to the ECJ, these applied to (Case C-25/94: I-1507–8: par. 37): “/…/ relations between the Community and the Member States, between the institutions of the Community and, finally, between the Community and its Member States on the one hand and other subjects of international law, especially the FAO and its Member States, on the other.”

On the substance of the dispute, the court confirmed that the competence of the EC on the conservation of the biological resources of the sea was exclusive. This was recognised by the European Court of Justice (ECJ) case law and was also included in the EC’s declaration of competence sent to the FAO. Furthermore, the court pointed out that, as regards the high seas and in areas falling within its authority, the EC had regulatory powers identical to those enjoyed under international law by the state whose flag the vessel flew or in which it was registered (*ibid.*: I-1509, par. 44).

Afterwards, the court went on to identify the essential object of the draft Agreement (*ibid.*: I-1509, par. 45). The main argument of the Council was that the thrust of the draft Agreement fell within national competence. This argument was based on the fact that it set out a system of fishing licences which was comparable to the system of authorisation to fly a particular flag given by national authorities. Furthermore, the Council stated that the draft Agreement included provisions referring to the possibility of imposing penal sanctions and to the provision of assistance to developing countries (*ibid.*: I-1509, par. 46). Both arguments presented by the Council were rejected by the ECJ. The court held that the fishing licences had constituted traditional instruments of managing fishing resources. As such, they were fundamentally different from the international law rights of every state to regulate which ship would fly its flag. As to the second argument, the court concluded that the relevant provisions were deemed not to occupy a prominent position in the draft Agreement.

After the ECJ defined that the thrust of the draft Agreement was within the scope of the EC’s competence, it repeated the significance of the duty of cooperation between the EC’s institutions and the Member states (*ibid.*: I-1508, par. 40). The duty of cooperation was emphasised in the process of the negotiation, conclusion and implementation of mixed agreements. Moreover, the court reaffirmed the necessity of unity in the international representation of the EC as the basis of the duty of cooperation. According to the court, it was precisely the voting rules contained in the Arrangement that represented fulfilment of the cooperation duty within the FAO. Those rules were evidently intended to bind both institutions to each other. Therefore, the Council’s decision to allow the member states to vote for the adoption of the draft Agreement despite the fact that its main thrust fell within the EC’s competence constituted a violation of the voting rules laid down in the Arrangement.\(^{66}\)

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Additionally, it should be emphasised that the ECJ did not conclude that the EC’s exclusive competence covered the entire scope of the Agreement. Furthermore, it did not identify which parts of the Agreement fell within national competence or over which the competence of the EC was shared. However, the court found without any difficulty that the “thrust” of the Agreement fell within the EC’s exclusive competence. The court relied upon the absence of provisions on registration and flagging in its final draft. On the other hand, the advice of Advocate General Jacobs was different. He dismissed the case as a non-issue and, therefore, inadmissible. He had argued that: “At the time of deciding on the indication of competence it was legitimate to take account of the flagging dimension of the negotiation”.

Advocate General Jacobs concluded that it was difficult to define competence in terms of the “thrust of the issue”. According to him, in the absence of a real disagreement on the substance of the matter, the dispute was a merely procedural one. He pointed out that the outcome would have been the same irrespective of whether the Commission or the member states could cast the vote, as either was bound to express the common position.

However, such reasoning was firmly rejected by the ECJ. It clearly indicated that the right to vote must be seen as inextricably linked to the membership status of an international organisation (Case C-25/94, I-1506–7; par. 32–7). In the ECJ’s view, as mentioned previously, the Council’s vote had legal effects between the EC and its member states on the one hand and the FAO and its member states on the other hand (ibid.: I-1506–7, par. 37). According to Koutrakos (2006: 172), in giving effect to the FAO Arrangement, the court applied the duty of cooperation in a rigorous manner.

When it comes to the substantive content of the position of the Commission and the member states, there was no dispute as to the desired outcome of the negotiations. A common position had been formed throughout that process. In other words, the rigorous application of the procedural rules laid down in the FAO Arrangement had no effect on the substance of the negotiating position of the EC and the member states. According to Koutrakos (2006), at a more general level, the judgment in the FAO case conveyed two messages to both the EC’s institutions and the member states. On the one hand, the ad hoc arrangements about the management of their shared competence upon which they both agreed would be accepted by the EC judiciary as the valid expression of their will to comply with their duty of cooperation.


68 Ibid.

69 On this issue see Heliskoski (2000).
On the other hand, the effects of such arrangements would be enforced by the ECJ (*ibid.*: 172).

According to Goveaere *et al.* (2004: 167), this ECJ’s decision should be welcomed. If the EC were not able to exercise its voting rights where it was competent, then its participation in international organisations would be reduced to no more than the observer status. That would be a clear mockery of its hard-won position as a member of the FAO (*ibid.*).

Furthermore, they argue that this case clearly shows the dualistic approach of the member states with respect to the EU’s membership in international organisations. On the one hand, they help to convince the other members of an international organisation to change its rules and to accept the EU as a full member. Yet, on the other hand, it is also the member states that may try to limit the EU’s visibility and actions within that same organisation (*ibid.*: 168).

This behaviour of the member states indicates that they want to use the presence of the EU as influence on the one hand. But on the other hand, they are not willing to be replaced by the EU. By doing so, the members states feel they will risk losing their influence and visibility on the international scene.

**LIMITATIONS ON MEMBER ORGANISATIONS IN THE ORGANS OF THE FAO**

According to the FAO Constitution, its structure consists of the Conference, Council, Director General, together with the Programme Committee, Finance Committee, Committee on Constitutional and Legal Matters, Committee on Commodity Problems, Fisheries Committee, Forestry Committee, Agriculture Committee and Committee on World Food Security (FAO Constitution: Art. 3–7). The Conference, Council and Director General of the FAO may further establish commissions, committees, conferences, working parties and panels of experts for consultations. Furthermore, there are numerous statutory bodies within the FAO that are grouped by the subject-matter they are working on.

Even though the member organisations have mainly the same rights and obligations as the member states within FAO, there are certain exceptions to this rule. In principle, the member organisations are kept out of the “institutional life of the organisation” (Frid de Vries 2010). In the organs of restricted composition or committees within the FAO, the main limitations on the member organisations’

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70 The FAO Conference established five regional conferences: Regional conference for Africa, Regional conference for Asia and the Pacific, Regional conference for Europe, Regional conference for Latin America and the Caribbean, and Regional conference for the Near East.

71 Agriculture; Animal Production and Health; Commodities and Trade; Fisheries Food Policy and Nutrition; Forestry; Genetic Resources for Food and Agriculture; Land and Water Development; Plant Production and Protection and Statistics.
Lessons Learned for the European Union

participation are on the elective posts. Furthermore, according to the General Rules of FAO (Rule XLII, pt. 2), a member organisation may not participate in different commissions of the FAO Conference. A member organisation may not fulfil any functions in the Conference or in the Council nor in any of their subsidiary organs (General Rules of FAO: Rule XLII, pt. 3, and Rule XLIII). Rule XLV provides that member organisations may not participate in committees of restricted composition (ibid.: Rule XLV), that is, in the Programme Committee, the Finance Committee and the Committee for Constitutional and Legal Matters.

In cases when the sessions of the Conference and the Council are relevant to their competence, participation is open to member organisations. The participation in sessions of the Conference is guaranteed for the EU as a member organisation. This is due to the fact that the Conference is a plenary organ. On the other hand, the Council is composed of 49 members who need to be elected from the member states. In the case of the EU, in practice it has the seat No. 50. Therefore, the EU is a permanent participant in the sessions of the Council, provided that some of its member states are elected members of the FAO Council.

The FAO Constitution (Art. 4) provides that it is the Conference that “shall determine the policy and approve the budget of the Organisation”, and that makes recommendations to members. The Council only has those powers that are delegated to it by the Conference. Furthermore, the Conference may review any decision taken by the Council or by any Commission or Committee (FAO Constitution: Art. 4–5). However, the fact is that the Conference meets every two years. Since the FAO's functions are operational, in practice the decision-making power is conferred upon the Director General and the Council Committees. Consequently, the Conference determines the general policy merely by ratifying the decisions adopted elsewhere (Frid 1993: 254). The authority to approve the budget is a significant power of the Conference. However, member organisations may not take part in this vote. Therefore, it can be concluded that the restriction on participation of a member organisation in committees and policymaking organs is an obstacle for its effective involvement in the activities of the FAO. Consequently, the organisation can act on economic technical issues but not on general policy issues of the FAO. Maybe the principle of alternative membership according to competence would have been the best model for the member organisation's participation in the FAO's organs.

CONCLUSION

The issue of the EU’s membership in international organisations has been the subject of a continuously fierce and time-consuming discussion between the EU’s institutions and the member states. In this context, the EU’s membership in the FAO can be seen as a breakthrough for further advancement of the EU’s status in other international organisations and treaty bodies. The case of the FAO’s constitutional amendments to allow the accession of regional economic integration organisations
has shown to be the most appropriate model for the EU’s participation in international organisations.

The shared participation of the EU and the member states within an international organisation is a complex issue of great political sensitivity in a number of aspects. However, it has proven to be the most suitable one for the EU member states. As previously shown, the member states want to use the EU presence in the FAO as influence on one the hand, but they are reluctant to be fully replaced by the EU on the other hand.

Considering the conditions for accession of a REIO to the FAO, it might be concluded that it puts some limits to the EU, since its membership is dependent upon the requirement for a majority of its member states to be members of the FAO. Although this may create difficulties in those cases where most or all competences on matters dealt with in the FAO are transferred to the EU, the EU’s membership in the FAO can be observed as a positive example.

REFERENCES


III. DIVERSITY MANAGEMENT IN THE POST-CONFLICT SOCIETIES
THE IMPACT OF THE EUROPEANISATION OF FOOTBALL IN THE WESTERN BALKANS ON RECONCILIATION, UNIFICATION AND IDENTITIES IN BOSNIA AND HERZEGOVINA

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Abstract

The recent emergence of Bosnia and Herzegovina (BiH) as a footballing nation both at the European and world levels has not only brought about a symbolic reintegration of Bosnia in the global (football) community, but also produced a basis for national pride. Focusing on Europeanisation, this article explores how the recent developments in Bosnian football have impacted reconciliation, unification and identities in BiH. By the Europeanisation of football in the context of the Western Balkans, I refer to two main processes: firstly, the impact of European sports policies and the interference of UEFA and FIFA in the affairs of national football associations; secondly, the presence of footballers from Western Balkan countries in the major European football leagues as well as the national teams’ participation in international competitions. BiH is a specific case since its ethnically divided football associations have undergone the process of unification, led by FIFA and UEFA in cooperation with the High Representative for BiH. Its debut participation at the 2014 FIFA World Cup created temporary excitement, which, however, was not shared by all three ethnic groups equally. The article aims to compare the impact of institutional reforms in Bosnian football and the debut participation at the FIFA World Cup on national reconciliation, unification and identification of the three constituent peoples. While FIFA- and UEFA-imposed reforms have eliminated the Dayton principles of tripartite presidency in the national football association and have created a unified premier league, Bosnian football and especially Bosnian society are far from being reconciled.

Keywords

Ethnicity, Europeanisation, football, FIFA, FIFA World Cup, reconciliation, UEFA.
INTRODUCTION

Bosnia and Herzegovina (BiH) “is at a standstill in the European integration process while other countries in the region are moving ahead” (European Commission 2013: 1); however, its emergence over the past few years as a footballing nation has significantly increased its presence both on the European and the global stages. Most significantly, Bosnian qualification to the 2014 FIFA World Cup has brought BiH back into international headlines, and this time thanks to good news. “In a state whose viability depends on reconstruction and reconciliation, the emergence of Bosnia-Hercegovina as a footballing nation could engineer the bridge-building that still eludes peace-makers and politicians” (Kinder 2013: 154). Football development in BiH needs to be placed in the wider context of Europeanisation of football in the Western Balkans, a process largely driven by the European and world-governing bodies of football, the Union of European Football Associations (UEFA) and the Federation of International Football Associations (Fédération Internationale de Football Association – FIFA). In order to understand how these processes are connected, this paper attempts to answer the following question: how has the Europeanisation of football in the Western Balkans, and specifically in BiH, changed Bosnian football and how are these changes affecting national and inter-ethnic reconciliation, nationalisms and identities in a highly ethnically divided post-war country? The aim of the paper is twofold: firstly, it aims to explain the process of the Europeanisation of football as a soft form of Europeanisation in the context of the Western Balkans; secondly, and more importantly, the goal is to examine what kinds of effects (if any) this process has on inter-ethnic reconciliation and identity-building in BiH. Additionally, in the context of the recent 2014 FIFA World Cup, the objective is to compare the impact of Europeanisation as a long-term process and the impact of the momentary “biggest single-event sporting competition in the world” (FIFA 2014) on national reconciliation.

METHODOLOGY

In order to understand how the Europeanisation of football in BiH has impacted the process of inter-ethnic/national reconciliation, I utilise a mixed-methods approach. The paper takes a qualitative approach to research and follows an interpretive epistemological orientation, since inter-ethnic relations and identity processes cannot be measured, but rather have to be understood and placed within a wider socio-historical context. Such an approach coincides with a constructionist ontological position with the assumption about reality as socially constructed – this affords an understanding of the complexities of inter-ethnic relations in BiH, of the meanings people ascribe to them, and of how separate ethnic identities as well as one common Bosnian identity are (can be) created/strengthened.

The theoretical overview of the Europeanisation of football and its application on the Bosnian society is based on a literature review (primary and secondary sources)
with some elements of historiography. The analysis of inter-ethnic relations in the context of Europeanisation draws primarily from ethnographic findings by Sterchele (2013), but also from some other sources. Since the 2014 FIFA World Cup represented an important event for BiH in which national identity and ethnic/nationalist discourse came into play, I made an ethnographic visit to BiH during the World Cup (15–27 June 2014), using methods of covert observation and semi-structured interviews. I observed fans’ behaviour during the three group stage football matches – each one of them in a different mono-ethnic town (Sarajevo, Mostar and Banja Luka).

Since Croatia participated in the 2014 FIFA World Cup as well, I observed Croats in the Western part of Mostar (which is predominantly Croatian) while watching both Croatian and Bosnian football matches in order to make a comparison. I am aware of the limitations of such an approach. Firstly, I observed Bosnians in only three towns, which are also the centres of respective ethnic groups. I would have probably come to different conclusions had I observed and interviewed Bosnians in the Brčko district, which is an example of peaceful multi-ethnic coexistence. Secondly, due to limited resources and access, I conducted semi-structured interviews and not a macro-level questionnaire, which could reveal some broader trends. However, ethnography deliberately rejects the positivist model of research since it fails to capture the true nature of social settings. In semi-structured interviews, interviewees are able to elaborate on the answers and explain their feelings in more depth (Bryman 2004; Silk 2005). Ethnography is very useful when examining the impact of sport on inter-community relations, since it places encounters, events and understandings into a more meaningful context (Silk 2005: 68).

It is difficult to define fixed criteria indicating the success of Europeanising mechanisms in the field of sport, especially because the Europeanisation of football does not have an inherent peace-building mission. Also, impact is often dependent on other variables, such as the political, economic and social circumstances, and too strictly defined criteria might prevent one from seeing the broader picture. However, I will have in mind two indicators of improved inter-ethnic relations: breaking away from the Dayton model (objective indicator), which has proven inadequate in building peace due to its reliance on the ethnic key (Tzifakis 2012: 132), and people’s perceptions of each other and their cross-ethnic interactions (subjective indicator).

THE EUROPEANISATION OF FOOTBALL IN THE WESTERN BALKANS

Most frequently, Europeanisation is conceptualised as the process of transferring European/the European Union’s (EU) directives, regulations and institutional structures to the domestic level (Howell 2002: 2). Especially in the case of non-member states that have some prospect of joining the EU, the power of attraction of the EU membership is believed to induce the non-member state’s authorities to accept essential political and economic reforms (Tzifakis 2012: 132). The term has been extended to include shared beliefs and norms, informal and formal rules, discourse,
styles, identities, and vertical and horizontal policy transfer incorporated in domestic discourse, political structures and public policies (Radaelli 2004: 3). Furthermore, Europeanisation is not limited to the EU or “EUisation”; as Wallace (2000: 371) claims, the creation and the development of the EU are actually responses to Europeanisation and, therefore, the EU is only one part of “a wider fabric of cross-border regimes in Europe, in which other organisations and frameworks (formal and informal) also play a part”. Although the EU has become the most important of the institutionalised frameworks within Europeanisation, attention needs to be paid to other transnational regimes and institutional arrangements (Wallace 2000: 376), either at the formal political level, such as the Organisation for Security and Cooperation in Europe (OSCE) or the Council of Europe (COE), or, more importantly for the purposes of this paper, at societal level, such as UEFA and FIFA (Niemann et al. 2011: 4). Societal dimension of Europeanisation refers not only to the level and sphere of change, but also to the type of agency behind the process – on the one hand, regulation and jurisdiction from Brussels induce some adaptational pressure on football governance, and on the other hand, societal actors either react to the EU regulation or create transnational spaces that, in turn, have an impact on the governance of football (ibid.: 5). In the context of the Western Balkans, I understand the Europeanisation of football within two main processes: firstly, the institutional one, which refers to the impact of the EU’s sports policies and regulations as well as to the conditionality and interference of UEFA and FIFA in the affairs of national football associations; and secondly, the increased presence of players and national teams in international competitions.

The Europeanisation of football governance in the Western Balkans

What the countries of Eastern Europe before the fall of communism, including Yugoslavia, had in common was, inter alia, intervention of the ruling party and the state in sports governance. Appointments of officials in sports organisations and football clubs and ownership of the clubs were all subject to political influence (Duke and Crolley 1996: 85). Following the death of Tito, the ethnicification of politics (Offe 1994) politicised football even further and instrumentalised fan behaviour so that hooliganism and violence became a legitimate source of expressing ethnic/national identity and hatred towards other nationalities (Vrčan and Lalić 1999). Such problems did not vanish with the newly gained independence and the establishment of separate football leagues. In 1991, all European competitions were prohibited from being played on the Yugoslav territory, and in 1992, FIFA and UEFA, following the UN Security Council Resolution 757, banned any connection with Serbia.

72 The United Nations Security Council Resolution no. 757 on Implementing Trade Embargo on Yugoslavia, 1992. Adopted on 30 May. Besides other political and economic measures, the
and Montenegro for their member associations (Mills 2009: 1203). FIFA and UEFA have sanctioned Croatian and Serbian football associations many times for the nationalist and violent behaviour of their fans, the latest example being the sanctioning of Croatian player Josip Šimunić in late 2013. Therefore, the Europeanisation of football in the Western Balkans needs to be understood primarily as an attempt of international football-governing bodies to impose democratic principles of governance on football clubs and national associations, as well as sanctions for nationalistic and racist behaviour. As Vrčan and Lalić (1999: 182) note, the number of incidents at football matches in the former Yugoslav countries has been gradually decreasing under the threat of strict FIFA and UEFA punishments (although nationalistic outbreaks in the region are far from being extinct).

In the case of BiH, Europeanisation is related particularly to the changing structure of its national football association. As a consequence of the 1992–1995 war, each ethnic group established its own football association and a separate league. Post-war football, like the rest of the society, was in a disastrous condition, lacking proper infrastructure and resources, controlled by incompetent elites, and strongly divided on ethnic lines. While international organisations, mainly the UN and the EU, were aiming to establish an economic and political viability of BiH, a safe return of refugees and internally displaced persons, and a re-integration of polarised communities through their control of reconstruction funding, FIFA and UEFA were providing considerable help and resources to rebuild the football infrastructure. The Football Federation of BiH (FFBiH) became a member of FIFA in 1996 and of UEFA in 1998. Both bodies provided considerable help and resources to rebuild the football infrastructure (Gasser and Levinsen 2010: 460–69; NFSBiH 2014). Although Croat and Bosnian cantons joined the FFBiH on paper, their separation was maintained at the local level with clubs competing only with those of the same ethnic background. Republika Srpska established its own competition and football association (Football Association of Republika Srpska – FARS), which was not recognised by FIFA and UEFA, and has not been recognised to the present day. According to the FIFA Statute, only one association is allowed to be recognised in each country, meaning there is only one association representing BiH in international football. While BiH was provisionally admitted to FIFA even before it was recognised by the UN (Sugden and Tomlinson 1998: 8), a strong and systematic Europeanisation resolution called the states to prevent the participation in sports events on their territory of persons and groups representing Yugoslavia (Serbia and Montenegro) (Art. 8b).

On 16 December 2013, Josip Šimunić was sanctioned by the FIFA Disciplinary Committee for displaying discriminatory behaviour in interaction with Croatian supporters just after the 2014 FIFA World Cup play-off match against Iceland. Namely, he shouted “Za dom spremni!” (For homeland ready), the salute that was used during the Second World War by the fascist Ustaša movement. The Disciplinary Committee agreed that this salute was discriminatory and offended the dignity of a group of persons concerning, inter alia, race, religion or origin (FIFA 2013a).

Lessons Learned for the European Union by FIFA and UEFA on one hand and the EU on the other commenced in the early 2000s. In 1999, the European Council of Cologne launched the Stabilisation and Association Process towards the countries of the Western Balkans, and in March 2000, the European Commission (EC) presented to BiH a roadmap of eighteen priority reforms (for example: the adoption of a law on a single passport, the removal of all barriers on inter-entity trade, etc.). Negotiations for the Stabilisation and Association Agreement (SAA) were opened in November 2005 and BiH and the EU signed the SAA on 16 June 2008, although it has not entered into force yet (Tzifakis 2012: 136; European Commission 2013: 1). At the same time, when BiH was under strong conditionality of the EU, its national football association was under strong pressure from both football-governing bodies that demanded the unification of Bosnian football. While the EU was only in power to set conditions for BiH, assuming that the attraction of the progress towards the EU membership would induce the Bosnian authorities to accept the adaptation costs of political and economic transformation (Tzifakis 2012: 132), FIFA and UEFA made very straightforward demands for the FFBiH and FARS to merge. Had the FFBiH not been prepared to negotiate, it would have been suspended from the UEFA and FIFA membership and would have therefore lost the right to compete on international level. FIFA, together with UEFA and the High Representative for BiH, led the negotiations between the FFBiH and FARS, followed by the creation of a new statute, and, in May 2002, a unified Bosnian football association was established, although separate associations continue to exist (Sterchele 2007: 216). The new association was based on the Dayton model with a tripartite presidency and a seats-rotation system between the representatives of each ethnic group. Its official name – Nogometni/Fudbalski savez Bosne i Hercegovine (NFSBiH) – included both the Croatian and the Serbian words for football (nogomet and fudbal, respectively) in order to avoid disputes. One common Premier league was established, although the lower divisions remained ethnically separated at the entity and cantonal levels. However, the Dayton structure was in contrast to UEFA and FIFA’s governing principles, and due to the association’s unwillingness to change the statute, FIFA and UEFA suspended the NFSBiH in 2011. They replaced it with a normalisation committee that dismissed the former officials and amended the statute by replacing the tripartite-rotational structure with a single-member presidency, based on competence instead of ethnicity (Sterchele 2013: 974‒76; NFSBiH 2014). “While political institutions have remained wedded firmly to the post-war principles of division, rendering much of the state apparatus unworkable, the Bosnian Football Association has demonstrated that even the most entrenched of bureaucracies can make progress.” (Kinder 2013: 161)

**Participation at European and international football competitions**

The second important characteristic of the Europeanisation of football in the Western Balkans is the increased presence of players and national teams in
international competitions. Especially the debut participation at the UEFA European Championship (EURO) and the FIFA World Cup is perceived as a symbolic (re)integration of the newly independent states in Europe and/or in the international community. Sports mega events are an important communication channel serving as a platform for the transmission of information and representations of both the host country and other participants (Manzenreiter 2010: 30). By being involved in international competitions, states try to achieve a positive perception among foreign publics (Murray 2011: 8). This is highly relevant for the countries of the former Yugoslavia, which are seeking to gain new reputations in Europe and in the international community. The recent successful appearances of BiH in the European qualifiers for the FIFA World Cup 2010 and the EURO 2012, and most significantly, their participation at the FIFA World Cup 2014, have already increased its presence in Europe and raised international awareness of BiH not only as a poor post-war country, but as a footballing power, equal to other European states. Furthermore, since 1995, migration of football players in Europe has increased as a result of the Bosman ruling. Although the ruling is applicable to migration within the EU states, its impact on the increased mobility of footballers has reached non-member states as well (Giulianotti 1999: 122), including Bosnia, whose top players now play for some of the best European clubs. The German Football Association expanded the right to play professional football in Germany to all players of all other member associations of UEFA (Brand and Niemann 2011: 60) and it therefore does not come as a surprise that the highest percentage of Bosnian players, who play abroad, play in the German league. Such an international orientation of Bosnian players makes the name of BiH more visible in European football and, consequently, in the European media, which is crucial for promoting celebrity status – and together with it, the celebrity’s nationality is promoted as well. When Manchester City won the English Premier League on 11 May 2014, Džeko and his Bosnian flag were all over the international (sports) media. The Bosnian case seems to contradict Hobshawm’s (2007: 92) claim that such globalising and Europeanising forces in football business create tensions with national teams which “carry the full political and emotional load of national identity”. Internationally successful footballers, such as Edin Džeko (Manchester City), Asmir Begović (Stoke City), Emir Spahić (Bayern Leverkusen),

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75 Judgement by the European Court of Justice, Case C-415/93 of 15 December 1995. The ruling changed the European football transfer system in accordance with Article 48 of the Treaty of Rome, which secured the freedom of movement of all EU workers. Since the Bosman case, players may join other clubs without being subjected to a transfer fee, and more importantly, the UEFA restrictions on the number of foreign players from other EU member states allowed to play in a club have been removed (Giulianotti 1999: 121–22).

76 It was interesting observe the reporting on the Premier League Final by the local Bosnian media. While Bosniak media reported very positively about Manchester City’s victory, with Džeko as a national hero being the focus on the news, Bosnian Croat and Bosnian Serb media reported completely neutrally and without any specific reference to Džeko.
Vedad Ibišević (Stuttgart), Miralem Pjanić (Roma) and others present probably the crucial source of national pride and national identification and the players themselves use every opportunity of public appearance to promote their nationality and their state.

THE IMPACT OF EUROPEANISATION ON INTER-ETHNIC RELATIONS IN BIH

The unified Bosnian football and the blurred ethnic lines

Drawing on his ethnographic study conducted in BiH between 2003 and 2012, Sterchele (2013) examined the consequences of FIFA and UEFA’s interference with Bosnian football for inter-ethnic relations in BiH. When the Bosnian Premier League started under the control of FIFA and UEFA, there were many concerns about its multi-ethnic nature and, consequently, the possibility of causing additional inter-ethnic tensions among passionate football fans. Although riots involving physical aggression have been less common than expected, which is, among other reasons, a consequence of the increased police presence, slogans and offences based on the use of war symbolisms have been part and parcel of football matches, particularly by relatively small, but loud organised groups of supporters. Serbs fans are called “četnik” by the Croat and Bosniak opponents, while Croats are called “ustaša” and Bosniaks are insulted with the word “balija”.77 Also, there have been quite a few incidents of burning Serbian, Croatian or Bosnian flags. Furthermore, Sterchele (2013: 984) observes how the unification of Bosnian football led to trans-ethnic use of ethno-nationalistic offences. For example, during the match between two Bosnian Serb teams, FC Modriča Maxima and FC Slavija in May 2003, the fans of both clubs insulted each other by screaming: “Stupid četniks!”, “You love Alija Izetbegović!” and the like. At the match between two Bosniak teams, Sloboda of Tuzla and Željezničar from Sarajevo, in August 2003, some of Sloboda’s supporters revealed a banner stating “Why didn’t the Serbs kill you as well?”. A similar incident occurred when the supporters of a Croat club Široki Brijeg chanted “Knife, barbed wire, Srebrenica” (Nož, žica, Srebrenica) to the fans of FC Željezničar, thus implicitly celebrating the Serbs for the genocide in Srebrenica. While doing so, they also raised the Serbian nationalist three finger salute, which is understood as highly offensive by Bosnian Croats. National and war symbolisms are, therefore, used not only to express somebody’s ethnic belonging, but rather to provoke and outrage football opponents as

77 Četniki were the Serbian royalist paramilitary combatants during the Second World War and ustaši belonged to the Croatian fascist anti-Yugoslav movement. Both names are used as derogatory terms. The word balija used to describe descendants of Turks of the Ottoman Empire in the Balkans and has become an insult for Bosniaks used by Croats or Serbs (Sterchele 2010).
III. Diversity Management in the Post-conflict Societies

much as possible, regardless of their ethnic background. While on the one hand such use of nationalistic insults may transform ethno-national slogans into “normal” provocations between rival fan groups and, therefore, change their original function and meaning, on the other hand, it fuels additional hatred and divides people even further (ibid.).

Sterchele (2013: 985) notes, however, that the increased frequency of riots in 2011 began during the same week that a delegation of UEFA and FIFA came to Sarajevo in order to discuss the extension of the normalisation committee’s mandate. Hasić (2011) claims these incidents were actually directed by the former members of the Executive Committee of the FFBiH, who were replaced by the normalisation committee and new members, selected by FIFA and UEFA. They wanted to show that the normalisation committee was not effective and, therefore, not needed in BiH anymore, which would enable them to regain their old positions. The riots also coincided with a general political deadlock – after the October 2010 general elections, political parties needed fifteen months to form the state government and they were one year late in approving the 2011 state budget (Tzifakis 2012: 131). As a result of the general political crisis and the increased footballing riots, the normalisation committee banned organised fan groups from attending away matches (Čeko and Hasanbegović 2012). The measure was repeated by the NFSBiH in February 2014, this time the reason being the approaching national elections and, therefore, the high possibility of using football matches as a tool for political and nationalistic manifestations (Emergency Committee of NFSBiH 2014: Art.1). Following the UEFA model, NFSBiH also established a Crisis Group that would react immediately in case an incident occurred at a football match (Klix.ba 2014).

In contrast, the unified Bosnian league has contributed to bringing the separate worlds of the three constituent peoples together by motivating football fans to travel to away matches in areas with predominant populations of a different ethnic background. Especially for people who were separated by the war but had known each other before, a common league presented an opportunity for renewed encounters. Namely, people from divided societies are often afraid to cross old front lines after the conflict and football fandom and either managerial or playing involvement in the clubs can encourage them to put their fears aside (Sterchele 2013: 978). Furthermore, “BH Telecom Premier League of BiH has long ago, but particularly this year, showed that football in Bosnia and Herzegovina has overcome national and entity divisions”, argued a survey by the Bosnian press agency Patria (Sport.ba 2014). In the majority of Bosnian clubs, the players come from all three constituent peoples

78 While certain insults are specific to the post-Yugoslav region, ethnic insult as such is not entirely unique to the countries of former Yugoslavia. An example is FC Feyenoord fans chanting “Hamas, Hamas, Jews to the gas” to their fiercest opponents, FC Ajax, although the majority of Ajax supporters are not Jewish.
and are selected on the basis of their performance, rather than ethnicity, which was not always the case. An exception is the Croat club FC Široki Brijeg, whose first team consists only of Croats and two Brazilians (ibid.). Such a multi-ethnic composition makes the sporting identity of a team more relevant than its ethnic representativeness (Sterchele 2013: 979).

Research findings – one country, two teams, three supporting patterns

Sporting occasions such as the FIFA World Cup have the capacity to keep alive ideas of what a nation is or should be and provide a chance for spectators – both on the stands and in front of the TV or computer – to reaffirm collectively their social identities. Competitive sports events, therefore, offer a strong feeling of collective belonging; this may result in either a feeling of belonging or bonding with other group members, or, in contrast, in collective antagonisms towards group non-members (Tomlinson 1994; Schulenkorf 2010: 279). By highlighting ethnic, national or racial differences, sports events have the power to help forge national identity on the one hand, and to reinforce social division on the other hand (Bairner 1996: 316). Especially in divided societies, where there is a lack of understanding what a nation is, sport has a strongly ambivalent role in the politics of community identification and celebration. Sport is, therefore, a “fiercely contested element of civil society” (Sugden 2010: 261). Such theorising was confirmed by my research findings in BiH during the group stage of the 2014 FIFA World Cup where the Bosnian football team made their debut appearance.

In Sarajevo, where there is a predominant Bosniak population (except for the Eastern part), there was a lot of excitement; it felt like the whole World Cup was one big national holiday. The streets in Sarajevo were covered with flags, stalls with T-shirts and hats in blue and yellow (Bosnian colours), and a lot of people were dressed in national football outfits – not only on the match days. Almost every third car had a flag attached or waving out of the windows. Bosnian first football match against Argentina on 15 June 2014 produced a lot of euphoria and national pride. Despite the loss, people celebrated massively. However, in Eastern Sarajevo, which is predominantly Serbian, the lights were turned off and there was no sign that anything important was going on. The interviews I conducted with Bosnian Serbs in Eastern Sarajevo informed me that people generally did watch the match, but in their homes and without any specific sentiment. A few days later, some Bosniaks beat a boy on the street who was wearing a Croatian outfit. I followed the Bosnian second match on 21 June in Mostar, which is divided between the Eastern (Bosniak) and the Western (Croat) part by the Neretva River. The Eastern part was even more decorated than Sarajevo – Bosnian flags were literally everywhere and there were even more people, especially children, dressed in Bosnian football kits. Many people I talked to, not only Croats but also some more critical Bosniaks, explained to me that such massive and often exaggerated signs of support for the
national team in the Eastern part of Mostar were partly a provocative message of the Bosniaks aiming to show the Croats on the other side of the river that Mostar is a Bosnian and not a Croat town. The streets of the Western part were empty during the Bosnian second match. However, the situation was much different when Croatia played. After the Croatian national team’s match against Cameroon on 18 June, Croats in Mostar burnt two Bosnian flags. I visited Mostar again on 23 June when Croatia played its last match against Mexico. The Western part of the town was covered with Croatian flags and, similarly as in the Eastern part when BiH played, the majority of people wore Croatian football outfits. Pubs were displaying publicly the match on the Croatian national TV HTV 2 and hundreds of people were watching the match together. After Croatia lost, there was much sadness; however, there was a firework on the Bosniak side of the town. Finally, I followed the last Bosnian match in Republika Srpska, in Banja Luka, a town populated by the Serb majority. Besides a few Coca-Cola billboards, there was no sign of the FIFA World Cup. During the final Bosnian match against Iran, the pubs were mostly empty and most of them showed Novak Đoković’s tennis match at Wimbledon. In Banja Luka, the Bosnian participation at the FIFA World Cup did not matter.

84 interviews were conducted with equal numbers of Bosniaks, Bosnian Serbs and Bosnian Croats, who were further categorised by their age (young, middle-aged and older) and gender. The sample was random and although the number is far from being representative for the whole nation, the answers provide a deeper insight into people’s perceptions and behaviour and, therefore, complement observation. Firstly, they showed that there are significant differences in perception about the unification and reconciliation of BiH according to age. Young people who were born and/or were growing up in the divided society, expressed a much more hostile attitude towards the two other ethnic groups and denied any chances of unification, especially as a result of the World Cup. Middle-aged and older interviewees often expressed their memories of the peaceful coexistence in Yugoslavia, especially the Bosniaks. “The Yugoslav football team united all six republics. If it still existed today, we would be the world’s champions!” was a frequent nostalgic comment. The Bosniaks seemed to believe into the power of the national team and the World Cup to unite the nation much more than Bosnian Serbs and Bosnian Croats, although their sentences sounded more like hope rather than firm claims. However, the main advantage of the World Cup was, according to all three ethnic groups, not unification but promotion of BiH on the international stage. “People around the world know Bosnia only for the war. Now they will finally hear good news about our beautiful country,” said one of the interviewees. Especially many Croats said that they did not identify with the Bosnian national team, but that they saw it as a good ambassador that might contribute to tourism in Mostar. Only few of the Serbs I interviewed (and they were all older) said they supported BiH at the World Cup; the majority of them chose Brazil, Argentina and Greece as their favourite teams. While the majority of them did not have any feelings for the Bosnian
national team, they admitted that they hated the Croatian team.\textsuperscript{79} There were also significant differences between the Serbs from Eastern Sarajevo and from Banja Luka – Serbs from Eastern Sarajevo were much more in favour of the Bosnian team and watching the matches together with Bosniaks than Serbs from Banja Luka. When it comes to ethnic representativeness of the national team,\textsuperscript{80} the Bosniaks did not find it controversial or non-representative of the nation – they were happy that the ethnic key is not considered in football since it should be the quality of a player that counts. In contrast, many Serbs and Croats were dissatisfied with the lack of Serbs and Croats in the team. “It is not normal that out of 23 players, only one is Serb,” said one of the Bosnian Serbs I interviewed. On the other hand, they were generally supportive of Bosnian Croat and Bosnian Serb players who decided to play for Croatia and Serbia, respectively, instead of BiH. Interestingly enough, a lot of both Croats and Serbs gave the same reason as to why there had been no celebrations in Mostar or Banja Luka when the Bosnian national team had qualified for the 2014 FIFA World Cup on 15 October; according to them, many Croats and Serbs were happy about the Bosnian national team, but were afraid to show their feelings publicly since the streets of both Mostar and Banja Luka are still dominated by nationalist groups, often controlled by the main political parties. While football affiliation proved to be a source of divisions among the three constituent peoples, hatred towards political elites appears to be one connecting factor across ethnic boundaries. To conclude, it could be stated that Bosniaks identify with the Bosnian team, while Bosnian Croats and Bosnian Serbs see Croatian and Serbian national teams as primary points of identification, respectively, and the FIFA World Cup did not change that.\textsuperscript{81} As Šutalo (2014) explains:

Just like the Bosniaks cheer euphorically for the Bosnian national team, the Bosniak Croats cheer euphorically for Croatia. Not in order to provoke anyone or because they do not consider BiH as their homeland (which is not to be equated with the state of BiH), but because they do not see the football national team of BiH as their team.

\begin{footnotesize}
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\item \textsuperscript{79} The fact that Croatian and Serbian national teams played in the same qualifying group for the World Cup caused additional tension between the fans of both teams, although their mutual hatred that often translates into violence and hooliganism is well known.
\item \textsuperscript{80} The World Cup national team consisted of 20 Bosniaks, 1 Croat and 2 Serbs.
\item \textsuperscript{81} There are some individual inclinations, of course. For example, on the Eastern side of Mostar, I met two Croats dressed in Bosnian outfits who expressed their contempt for those who enhance divisions. As well, few older Bosnian Serbs were very proud to say that they supported the Bosnian national team. However, the number of such comments was significantly smaller than the opposite and observation showed that the nation was still strongly divided in support for the national team.
\end{itemize}
\end{footnotesize}
FOOTBALL IN BIH – A SOURCE OF EXACERBATION OF ETHNIC TENSIONS OR A BRIDGE-BUILDER? DISCUSSION AND ANALYSIS

Mangan (1996: 1) identifies three main functions of sport in modern societies: a mechanism of national solidarity promoting a sense of identity, unity, status and esteem; an instrument of confrontations and competition between nations; a cultural bond connecting people across national boundaries and providing the transcendence of national allegiances. Sport draws on emotions of a person and is, therefore, an important carrier of both individual and collective identity. As such, it creates both inclusion and solidarity on the one hand, and exclusion and hatred on the other. However, such a functionalist interpretation should always be put in a wider context, since sport is intrinsically bound up with events and circumstances of the broader social and political environment (Allison 1993). Identity politics in sport, especially in football, which is a “representational sport” highlighting both commonalities and differences (Bale 1998: 271), involves a quest for collective belonging and recognition as well as fragmentation and separatism, especially where divisions are an inherent characteristic of society (Jarvie 2006: 288). This is the case in BiH, where some Bosnian Croats and Bosnian Serbs tend to identify with Croatian and Serbian national teams, respectively. Both Sterchele’s (2013) ethnographic study and my own ethnographic findings show football’s ambivalent role in the Bosnian society that coincides with Mangan’s (1996) functions of sport: while football does seem to be bringing the three constituent peoples together gradually, as Sterchele (2013) noticed, at the same time it reproduces nationalistic discourses and ethnic divisions. However, there are some significant changes between Europeanisation as a process and the FIFA World Cup as a momentary event.

The partial autonomy of Bosnian football, ensured by the “top down” decisions imposed by FIFA and UEFA, has broken away from the Dayton model that seems to be paralysing BiH. NFSBiH became the first Bosnian institution without a rotational balance system and with only one president, based on merits and not ethnicity. It could serve as a model for potential transformations of the broader political institutional apparatus and it could gradually displace the conflict by de-emphasising the relevance of ethno-national cleavage (Bosniaks vs. Croats vs. Serbs) and highlighting the meritocratic confrontation (competent/enthusiasts vs. criminals/profitiers) instead (Sterchele 2013: 977, 987). Displacement of the conflict is already partly present in premier league matches, where ethno-national insults and war symbolisms are used trans-ethnically and in order to provoke opponents (even if the two playing teams come from the same ethnic background) rather than trying to fuel inter-ethnic tensions. The Europeanisation of football in BiH, led by FIFA and UEFA, has brought a unified football league that has increased migration of players from different ethnic backgrounds and, therefore, ensured that the majority of football clubs in the Bosnian premier league are multi-ethnic. The Europeanisation of football as the transformation of institutions (football association and football league) did bring about breaking away from the Dayton model and de-emphasising ethnicity at the
institutional level as the first indicator of positive impact of the Europeanisation of football on inter-ethnic relations. Also, FIFA and UEFA invested a lot of money into the reconstruction and building of football facilities, not only for football clubs or the national team, but also at the grassroots level. As Cárdenas (2012: 9) explains, reconstruction of facilities and infrastructure can contribute to reconciliation since quality sports environment brings a sense of security and normality. The vicious circle of hate and ethnic divisions can be broken by focusing on common achievements and progress.

While breaking away from the Dayton principles brought more democratic and efficient functioning of the NFSBiH, the political Dayton system keeps blocking the wider Europeanisation process and integration of the population. Since the three constituent peoples are endowed with the right to veto every major legislative or executive decision, accession and the EU reforms require inter-ethnic consensus. While on paper all three ethnic groups support the EU accession process, they are not willing to cede their hold on power for the sake of the EU accession (Tzifakis 2012: 137).

As the European Commission (2013: 1) notes, short-term party or ethnic interests are prevailing over a future-oriented policy of progress in the EU integration process. The need to revise the Dayton constitutional arrangements have been widely recognised (Tzifakis 2012: 138), for example by the European Commission (2013) and by the Venice Commission (2005: 25), according to which “constitutional reform is indispensable since present arrangements are neither efficient nor rational and lack democratic content”. For the same reasons, FIFA and UEFA suspended NFSBiH from their membership, dismissed the tripartite presidency and replaced it with the normalisation committee in April 2011. It is interesting to see that the suspension upset the Bosniak member of the BiH joint presidency Bakir Izetbegović, who sent a letter to Joseph Blatter, the president of FIFA, and to Michel Platini, the president of UEFA. He appealed for a quick solution that would allow the Bosnian national team and Bosnian football clubs to continue taking part in European competitions (World Soccer 2011): “You certainly know that Bosnia-Hercegovina is a complex country /…/. It would be unfortunate that irresponsible behaviour of members of our (football) federation prevents our international and local football players from taking part in international matches. Hundreds of thousands of their fans do not deserve that.”

It seems that the “power of attraction” of the FIFA and UEFA membership is much stronger than the “power of attraction” of the EU in BiH. While the benefits of being a UEFA and FIFA member are pretty straightforward, the political conditionality by the EU related to the accession and integration process outweigh the costs of compliance with accession conditions – and Bosnian politicians are not eager to accept those costs and lose their power which is based primarily on ethno-nationalism (Tzifakis 2012: 133). And love for football is also much closer to the ordinary citizens than the conditions and reforms from the distant Brussels.

The unified football league resulted, inter alia, in the increased migration of players and, therefore, in multi-ethnic composition of football clubs. Multi-ethnic
composition of clubs sends an important message that cooperation between antagonistic communities is possible. Moreover, and beyond symbolism, it encourages mutual trainings and, therefore, increased contacts and cooperation between players of different ethnicity. According to Giulianotti (2011: 219), meaningful and cooperative contacts contribute to changing cross-ethnic perceptions and, therefore, contribute to reconciliation. However, changed perceptions and increased inter-ethnic contacts, as an indicator of effective sports policies induced by FIFA and UEFA, have not reached their full potential. As my observation showed, for the most part, Croats, Serbs and Bosniaks follow the national team’s matches separately (there are some individual exceptions, naturally) and some Croats and especially Serbs do not watch them at all. Although FIFA and UEFA in cooperation with the High Representative for BiH have tried to bring an end to violence and nationalistic manifestations at football matches, these are still a persistent reality in BiH. Azinović et al. (2012: 149) see football hooliganism as one of the main factors of fuelling nationalism and inter-ethnic violence. They observe that all bigger football clubs are connected to mono-ethnic football fan groups who see themselves as representatives and “warriors” for their football club, local area and the nation. Such groups consist of a big number of young people, who are easily mobilised since hooliganism offers them an organised platform to express individualistic expressions and dissatisfaction with the state. Juvenile delinquency in particular is high due to the non-functional state, poor economic conditions and nationalistic indoctrination. Furthermore, these groups are often led or mobilised by different local or national political elites who want to secure their positions by maintaining the current power relations, based on ethnicity. Although the Council of Ministers in BiH prepared a strategic plan to tackle football hooliganism in accordance with the European Convention on Spectator Violence and Misbehaviour at Sports Events in particular at Football Matches in 2009 and the representatives of the key sports organisations, ministries and the police have been increasingly cooperating since then, football hooliganism remains one of the key obstacles to inter-ethnic reconciliation. In this respect, the Europeanising forces have been only partly successful.

The FIFA World Cup, on the other hand, created a temporary football-mania and a strong sense of national pride. However, such collective feelings were shared primarily by the Bosniaks. The foreign media were keen on promoting the picture of a unified BiH, represented by the multi-ethnic team. In theory, such a unified representation of BiH, although it does not reflect Bosnian society completely, can
widen the imagined community (Anderson 1983) of all Bosnians, especially when participating at the FIFA World Cup, which generates a number of occasions “when nations are embodied in something manifestly real and visible” (Smith and Porter 2004: 1). Following Hobshawm’s (1992: 143) argument that “it is much easier to imagine the nation and confirm national identity, when 11 players are representing the nation in a match against another nation”, it could be argued that it is easier to imagine a unified and peaceful BiH when seeing Edin Džeko (Bosniak), Zvjezdan Misimović (Bosnian Serb) and Tino Sušić (Bosnian Croat) play together against another nation. While all of the interviewees agreed that it was a good sign that players of all three ethnic backgrounds represented the Bosnian nation in Brazil, Croats and Serbs expressed their dissatisfaction with the unequal numbers of Croats and Serbs in the national team. However, it is questionable if an equal ethnic representation in the national team would encourage more Croats and Serbs to support the team since their homelands (as they referred to the two countries in the interviews), Croatia and Serbia, already have their own national teams. In addition, some footballers of Bosnian Serb or Bosnian Croat origin have been invited to play for the Bosnian national team, but refused and decided to play for Serbia or Croatia instead – examples include Neven Subotić, Nemanja Gudelj and others. Where ethnic identity is stronger than national identity, sports events can do only little to contribute to national reconciliation since the national team does not represent a source for identification for certain ethnic groups (Edensor 2002: 80).

Comparing the Europeanisation of football in BiH as a process and a few temporary events (such as Džeko’s victory with Manchester City or the 2014 FIFA World Cup), it is safe to conclude that institutional changes within Bosnian football have been much more effective in bringing together the three constituent peoples. However, the impact of the FIFA World Cup should not be completely undermined either. While it did not contribute to reconciliation, it did contribute to the promotion of BiH on the international stage, which is something that all three ethnic groups were happy about. If the Bosnian team continues with successful appearances in international competitions, its image among Croats and Serbs might change, but

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83 Anderson (1983: 6) claims that nation is an imagined political community because its members will never know all other members, yet, each person believes that they belong to the same national community.

84 The case with the current player in the national team, Ognjen Vranješ, is different. Vranješ refused to play for Serbia and accepted the invitation to play for BiH instead. He considers himself a Bosnian Šerb, but also a Bosnian, since he has spent his life in BiH (Sport.ba 2013). Similar was the case of Tino Sušić, who refused the Croatian coach Niko Kovač and represented BiH at the 2014 FIFA World Cup (Dnevno.hr 2013).

85 Croats in Mostar seemed much happier about the promotion of BiH than Serbs, though. Namely, many Serbs believe that the team is representative of the Federation of BiH only, and that Republika Srpska could only be represented internationally either by their own team, which is recognised neither by FIFA nor by UEFA, or by the Serbian national team.
III. Diversity Management in the Post-conflict Societies

this is a long-term process that requires further analysis. While the World Cup might have brought together some middle-aged and older Bosniaks, Croats and Serbs who used to be friends and watch sport together before the break-up of Yugoslavia, it did not influence the bonding of younger generations, who were born into the divided society. With persistent factors enhancing divisions, such as nationalistic media, ethnically divided schools (the so-called Two Schools Under One Roof) and the existing political system, reconciliation seems even further away. Although football at the national level has become partly autonomous from other social spheres, based on its inner logic and dependence on FIFA and UEFA, it is still too weak to challenge the hegemony of the political and criminal elites (Sterchele 2013: 986). The Europeanisation of football alone is, therefore, insufficient in reconciling the population or making any significant changes towards the reintegration. However, it could serve as a model for other institutional reforms.

CONCLUSION

The Europeanisation of football, which is sometimes difficult to distinguish from the globalising forces within international football, has brought unification, democratisation and development of institutionalised football in BiH. FIFA and UEFA, despite hardly being role models for democratic governance themselves, have imposed rules and sanctions that have abolished the inefficient Dayton structure of the NFSBiH, replaced incompetent and politically motivated leaders with new officials based on meritocracy, and most importantly, established one common premier football league. Although football hooliganism and nationalistic chanting based on war symbolisms remain part and parcel of Bosnian football, there has been some development towards inter-ethnic reconciliation, increased migration and renewed contacts between football players, coaches and officials from different ethnic groups, and towards focus on merit rather than ethnicity. Furthermore, the increased presence of the Bosnian national team and some of its players on European and global stages presents an important source of national pride for Bosniaks. However, much remains to be done, and even though FIFA and UEFA were relatively effective in accelerating the unification of Bosnian football, the top-down measures need to be complemented by the bottom-up approach at the local level, as well as by other broader political and social reforms of the system. The 2014 FIFA World Cup worked as a mirror of inter-ethnic relations in BiH – while Bosniaks identify with BiH as a state, which is translated into their support for the national team, the majority of Croats and Serbs refer to Croatia and Serbia as their homeland, which is reflected in their support for Croatian and Serbian national teams, respectively. Although the institutional reforms of NFSBiH and the premier league have been relatively successful, ethno-national identities remain stronger. This is an important conclusion that should be taken into account also by the EU and other European institutions when planning and conditioning the political and economic reforms in BiH.
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III. Diversity Management in the Post-conflict Societies


EDUCATION AND THE EUROPEANISATION OF BOSNIA AND HERZEGOVINA

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Abstract

The Europeanisation of Bosnia and Herzegovina is an area which has been explored considerably in recent years. Pushing and pulling this country on the fringes of the European Union closer to Europe and its standards appears to be high on the political agenda. Nevertheless, Bosnia and Herzegovina continues to lag behind its counterparts on the journey towards European integration and accession to the European Union. An area which is severely deficient in terms of the implementation of the European Union recommendations, as well as the broader European norms in areas of human and minority rights, is that of education. This paper explores this problem, focusing on the education system, specifically at the primary- and secondary-school levels, and the glaring problems therein which prevent Bosnia and Herzegovina from measuring up to the standards of its near neighbours. Furthermore, the paper endeavours to identify whether domestic or international actors are at fault for the stagnation of the education system, and to present some reasons for such underachievement in this area. Ultimately, the paper shows that education in Bosnia and Herzegovina presents itself as a paradox with regard to Europeanisation. Although criticisms and recommendations from the European Union, and indeed other European human rights bodies, are plentiful with regard to education, these are rarely backed with concrete action from Europe. This non-action, coupled with uncooperative and often uninterested domestic political actors, ensures that education in Bosnia and Herzegovina remains somewhat stationary, with very little to signify any considerable, positive developments in the near future which may aid Bosnia and Herzegovina in the process of integration with Europe.

Keywords

Bosnia and Herzegovina, education, Europeanisation, European Union, human rights, normative standards
INTRODUCTION

Whether Bosnia and Herzegovina will be able to join the European Union as a unified country, and whether it will succeed in stemming the centrifugal forces that are tearing it apart – forces which are merely strengthened by separate schooling – depends on how long schools will continue to adhere to this system of separation and seclusion (Pašalić-Kreso 2008: 359).

The so-called ‘Europeanisation’ of Bosnia and Herzegovina (BiH) is a concept which has been explored by a number of authors, and steering this post-conflict state through democratisation processes and towards the European Union and the norms and values thereof is something which appears to be widely regarded as imperative if BiH is to function satisfactorily as a state (Majstorović 2007; Brljavac 2011a, 2011b; Perry 2012). Nevertheless, despite the considerable effort and involvement of international and European institutions and organisations, and the involvement of BiH in the Stabilisation and Association Process (SAP) of the EU, and the subsequent signing of the Stabilisation and Association Agreement (SAA), BiH still, almost two decades after the end of its war, lags far behind its peripheral counterparts in its pursuit of inclusion in Europe, and in its adherence to the general standards of the latter (Brljavac 2011a). The reasons for this are numerous and they vary. However, the education system of BiH is one particular area in which numerous deficiencies exist with regard to reaching the proverbial ‘European’ standards (Pašalić-Kreso 2008). 86

It is the view of this paper that, if BiH is to become an active part of Europe and its political union, the education system is an area in dire need of drastic attention and improvement, not only in terms of human and minority rights, but also in relation to its actual academic standards. This paper suggests that this need is created both by internal and external factors, creating a paradoxical situation, and that education, in order to serve a ‘Europeanising’, democratic state, must be addressed directly and swiftly by both domestic and international actors alike.

Thus, the paper is structured as follows. Firstly, it presents a brief overview of the political system in BiH and the implication of this system for potential accession to the EU and the broader Europeanisation process, while briefly conceptualising the latter. Following this, a critical analysis of the education system in BiH is put forward, focussing on the most pertinent issues and deficiencies therein with regard to both the European Union standards as recommended and critiqued by the European Commission and the Parliament, as well as the broader European standards in areas

such as human and minority rights. Subsequently, an exploration of possible reasons for the stagnation of the education system and its inability to measure up to broader European standards is undertaken, with a view of attempting to ascertain where the primary onus lies with regard to this stagnation. The paper ends with a comprehensive conclusion, presenting its findings.

THE POLITICAL STRUCTURE OF BIH AND ITS IMPLICATIONS FOR THE BROADER EUROPEANISATION PROCESS

Political system

Almost twenty years after the signing of the Dayton Peace Accords (DPA), which brought to an end Bosnia’s egregious war, the country is still highly fragmented. Political and ethnic divisions, which were created before and during the war, have been effectively cemented by territorial boundaries laid down in the constitution of BiH, which was essentially a by-product of Dayton itself. BiH was divided after the war into two entities, Republika Srpska (RS) and the Federation of Bosnia and Herzegovina (FBiH). Later, the unitary district of Brčko was established (O’Loughlin and Ó Tuathail 2009: 1047). Furthermore, the FBiH was divided into ten cantons, most of which were ethnically defined either by the majority Croat population or by the majority Bosniak population (ibid.). State level institutions, such as the three-member presidency, were and remain relatively weak (Søberg 2008: 716). In 2007, Schmidt (2007: 12) observed that the significantly decentralised nature of BiH rendered the national state government rather powerless across a range of areas, and recognised rather that the real power, as has been mentioned, remains in the hands of elites in the ethnically based entities of RS and the FBiH. Moreover, the aforementioned further decentralisation of the FBiH via cantons has resulted in the creation of effective “mini-states”. With regard to the populations of the country, it is interesting to note that the constitution of BiH refers to Croats, Bosniaks and Serbs as “constituent peoples”, while those belonging to different groups are simply referred to as “others” (Constitution of Bosnia and Herzegovina, Preamble).

Implications of the current political system for Europeanisation
What constitutes Europeanisation?

Before discussing Europeanisation in terms of BiH, it is useful first to determine briefly what Europeanisation is deemed to be. As has been mentioned, the term is one which authors and academics have explored to a considerable extent in recent years. Nevertheless, its definition is elusive at best. Radaelli (2004: 2) emphasises the fact that the term can be approached in a number of ways, while Kassim (2000: 235) simply suggests that it is “essentially contested” as a concept.
Buller and Gamble (2002) present a variety of definitions of the term, including the implementation at the domestic level of European policies and standards, the exportation of European forms of governance beyond the territorial borders of the latter, and so forth. Alternatively, the term has been used to define the actual “political unification” of Europe itself (ibid.). Similarly to one of the aforementioned conceptualisations, Schimmelfennig (2010: 3) suggests that it comprises not just member states of the EU, but also the travelling of European standards “beyond the formal borders of the EU”.

Evidently, even if observing just a small number of authors, Europeanisation is not a term that can be easily defined, if this is even possible. Therefore, this paper will approach the concept as the broad promotion of European (both the EU’s and broader European norms) values and standards beyond the borders of the EU, as well as the integration of non-EU countries into the political sphere of Europe with a view to potential membership.

**Bosnian politics and Europeanisation**

With regard to the implications of the political system of BiH for potential membership in the European Union (EU), the future looks decidedly bleak. Not only does BiH currently reside in the earliest stages of the European integration process, but the political and subsequently ethnic fragmentation of the country renders the creation of a shared vision of the future, and that of BiH within the EU, unlikely at best. Where a considerable faction of the population of RS remain supportive of stronger links, if not absolute unification with Serbia, the federation itself also remains divided as a result of contrasting visions of Croats and Bosniaks for the future of the country (Schmidt 2007: 12). In addition, the European Union member states themselves remain divided on the issue of the accession of BiH to the European Union, with widely held perceptions that the country remains an issue of a humanitarian nature and is not yet prepared for accession. Moreover, not only do the chances of BiH becoming a part of the EU anytime in the near future look bleak due to political non-coordination and cooperation; BiH is also failing to measure up to alternative European normative standards, particularly those related to human and minority rights, such as the European Convention on Human Rights (ECHR) and the Framework Convention for the Protection of National Minorities (FCNM), the breaches and violations of which are startlingly evident across various areas (Human Rights Watch 2012).

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87 Meeting with the EU delegation to BiH and the EU special representative in BiH, Sarajevo, 19 May 2014.
III. Diversity Management in the Post-conflict Societies

EDUCATION AND EUROPEANISATION

/An inclusive and modern education system is an absolute pre-requisite for successful internal re-integration of BiH and successful external integration into the EU. As it runs counter to all human rights standards, all forms of discrimination should be removed from the BiH education system before BiH becomes an EU member (Lajčák 2008).

A considerable issue of concern which emanates from the aforementioned political disarray, though one which is perhaps not afforded the attention it merits, is that of education. Practices within the education system of BiH do not measure up sufficiently to the EU standards, particularly in relation to minority rights and non-discrimination.88 Furthermore, the European Commission, alongside other regional organisations, expresses distinct concern about the fact that the education system of BiH is in particular need of modernisation and alignment with European standards in terms of quality and outcomes (European Commission 2012: 39).

The education system of Bosnia and Herzegovina: An impediment to meaningful integration with Europe

Education in BiH is very difficult to present without being decidedly critical. The aforementioned fragmented nature of BiH’s political arena lends itself directly to many of the challenges facing the education system. As a result of these fragmentations, there exist thirteen ministries of education in BiH – two at the entity levels of RS and the FBiH, ten at the cantonal levels within the FBiH, and one in the Brčko District. Within the FBiH, the fragmentation of education ministries has resulted in “defacto Croat and Bosniak education systems”, as a result of the overriding presence of ethnic majorities in most of the cantons (Bozić 2006: 321). The education system of RS, on the other hand, is highly centralised (ibid.). Magill (2010: 13) has cited the existence of such a number of education ministries as rendering coordination and harmonisation particularly difficult, if not “virtually impossible”. Indeed, Pašalić-Kreso (2008: 360) has suggested that the DPA left somewhat of a “chaotic legacy for education in Bosnia and Herzegovina.

However, the physical fragmentation of education within BiH seems to be only the tip of the problematic iceberg. Education in BiH remains of a highly politicised nature (ibid.: 359). In fact, one education officer employed by a prominent international organisation in BiH claimed during an interview that the political situation is worse now than it was five years ago.89 Faced with dismal economic prospects,

88 Ibid.
89 Interview with Chief Education Officer, anonymous regional organisation, Sarajevo, 22 May 2014.
there exists a feeling that ethnic divisions have only been strengthened in recent times, with local and entity level politicians seeking to evade the focus of attention on the economy by resorting to ethnically driven nationalistic rhetoric.\textsuperscript{90} Thus, in addition to the difficulty of coordinating such a number of educational ministries, there is a marked lack of will among the local political elites to cooperate horizontally across cantons and vertically between cantons and entities. This is illustrated by the Croat majority cantons in the FBIH disputing the legitimacy and competence of the Ministry of Education at the entity level of the FBIH. As a result of this, the education ministers in these cantons are reluctant to participate in discussions at the entity level.\textsuperscript{91}

The lack of cooperation and coordination evident at the entity levels, and particularly at the cantonal level of the FBIH, tallies with the marked challenges facing the reconciliation efforts and the creation of a shared future in BiH. This is further exacerbated by the aforementioned level of competence afforded to local, often nationalistic political elites. Among these are issues of curricula and textbooks, as well as policies of segregation and exclusion, whereby children from non-majority groups are expected to either assimilate and adapt to a different curriculum, often influenced by ethnicity different from that of their own, or simply go elsewhere (Clark 2010: 327–36).

Problematic horizontal and vertical relations and lack of cooperation become even more worrisome when one observes the lack of any significantly competent body with the ability to sanction behaviour at the cantonal level. During the course of a discussion with the Educational Advisor of the Ministry of Civil Affairs of BiH in Sarajevo, who serves merely in a coordinating role at the state level, it was observed that educational governance in BiH presents itself as somewhat of a “reverse pyramid”, with the majority of the competences and executive powers in the realm of education awarded to local governments, at entity and cantonal levels.\textsuperscript{92} Effectively, local ministries have full power over educational developments within each canton, rendering the role of institutions at the entity and state level limited at best.

Under the auspices of a national report on education in Bosnia and Herzegovina, Pašalić-Kreso \textit{et al.} (2006: 171) describe the current decentralised system as holding education “hostage to latent nationalism”, and they view education as being utilised politically to further three separate discourses, rather than to “develop a common state identity”. Similarly, Clark (2010: 346) suggests that the education system is one which fosters division and serves as a barrier to reconciliation. Indeed, the current divisions have been suggested to have originated during the war itself, when the former Yugoslav nations in the early 1990s utilised the education system to “foster national characteristics”, as a means of differentiating themselves from their geographical

\textsuperscript{90} Ibid.

\textsuperscript{91} Ibid.

\textsuperscript{92} Meeting with the Ministry of Civil Affairs of BiH, Sarajevo, 21 May 2014.
neighbours. Pašalić-Kreso (2008: 356) argues further that the consequences of these education systems for societal cohesion have been thus far largely irreversible.

The fragmented nature of the education system of BiH is thus problematic for a number of reasons, particularly with regard to the possibilities for reconciliation and the creation of a shared future. Not only is there a marked lack of cooperation and harmonisation; this is exacerbated further by the divergent behaviours and policies of entities and cantons with regard to education. Although various agreements have been signed at higher levels of authority, and initiatives have been put in place, the power held at cantonal and entity level means that, effectively, each ministry has the competence to decide on curricula and the organisation of education.

Although the Interim Agreement on Accommodation of Specific Needs and Rights of Returnee Children, promoted by the Office of the High Representative (OHR) and signed by the education ministers of both entities in 2002, did afford greater choice to parents regarding curricula and instruction in national subjects, its implementation and harmonisation and the alignment of curricula remain a significant challenge. As Clark (2010: 346) recognises, there are “multiple curricula in force” within BiH. Suffice it to say that, given the existence of such a number of curricula, and the power vested in each ministry of education, learning content is unlikely to be consistent across BiH. Curricula remain ethnically biased throughout the country and there is lack of an overarching monitoring system to adjudicate on the standards thereof.93 Torsti (2009: 76) reiterates concern for this issue as she observes the fact that even the few provisions dedicated to education in the DPA, including commitment to non-discrimination, lack any single state authority to monitor their implementation, as has been mentioned. Likewise, arguably, the adoption of the Framework Law on Primary and Secondary Education in 2003 and the subsequent creation of a Common Core Curriculum across BiH, while setting the educational standards and the bases for harmonisation, had a limited impact on curricular coordination and alignment of educational governance in BiH.

Pašalić-Kreso (2008: 360) claims that the highly decentralised nature of education management across BiH has “undermined unity” in terms of patriotism, values and educational goals and policies. Furthermore, ethnic groups have attempted to justify this polarisation as a means of protecting their own culture and identity, rendering the possibility of fostering a common Bosnian identity, or outlook for the future, elusive if not void.

In addition, the acute decentralisation of BiH’s education system provides a breeding ground for inequalities which have already been identified as the stumbling blocks on a path towards reconciliation (Pašalić-Kreso 2008: 360). Notable among these inequalities are the issues of pedagogical standards, educational development and finances, which vary across cantonal and entity levels (ibid.: 362). There is a

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93 Interview with Chief Education Officer, anonymous regional organisation, Sarajevo, 22 May 2014.
widespread belief throughout BiH that the current education system, as it stands, does not provide equal access to education for all citizens, that particular groups do not enjoy equal status within the education system, and a further belief that this is due to nationality and nationalistic tendencies of political elites (ibid.: 368). This is particularly evident in the case of returnees to areas of BiH now populated by dominant ethnic groups, the treatment and integration of whom remains questionable despite the signing of the Interim Agreement. The persistent presence of the now rather infamous “two schools under one roof” phenomenon, whereby Bosniak and Croat children may attend school in the same building, but at different times, in different parts and under different administrations, illustrates this further (Pašalić-Kreso 2008: 367–68).

The European Commission (2013) in its 2013 Progress Report on Bosnia and Herzegovina cited development and progress within the education system as significantly problematic. Besides criticising the fragmentation of the system along ethnic lines, as previously discussed, the report pointed out further discrimination and inequalities within the education system not only in relation to the return of constituent people, but also towards the ‘others’, smaller minorities in BiH. Most pertinent is the situation of Roma, where progress has been extremely slow, and where low birth registration leads to a considerably low enrolment rate. Furthermore, little has been done to tackle the high dropout rate of Roma children, especially girls, from primary school (European Commission 2013). These are reiterated concerns, as one can see little to no improvement in the areas of segregated education or minority treatment in education from the Commission’s 2012 report, with some concerns appearing even greater the following year (European Commission 2012, 2013). The 2013 resolution of the European Parliament regarding the Commission’s report demonstrated further the EU’s critical stance towards education in BiH (European Parliament 2013).

Pašalić-Kreso (2008: 359) cites this system of separation and seclusion as a major stumbling block for BiH with regard to measuring up to European standards. In addition, the education system of BiH has come under fire from the European human rights bodies with regard to its discriminatory policies and practices. This non-compliance with the broader European standards of human and minority rights can only be detrimental to BiH’s bid to become an active part of Europe. The aforementioned longstanding exclusion of Roma children from education has been criticised widely by the Council of Europe (2013), under the auspices of the Advisory Committee on the FCNM, as have been the policies of segregation and discrimination of and between constituent groups created by local political elites and systems such as “two schools under one roof”. Being a “key reference point” for the EU in the pre-accession stage, non-compliance and repeated violation of this convention displays Bosnia’s as-yet incapability to fully integrate itself with Europe and its human rights standards (Hillion 2008: 2). Furthermore, with the right to education being enshrined in Article 2 of the first protocol to the ECHR, the latter being considered essential if a country is to become part of the political union in Europe, the human
rights standards in education in BiH simply do not measure up to those promoted and enshrined in both the TEU and the ECHR (Treaty on European Union; Miller 2014).

However, human rights issues are not the only challenges facing BiH and the efforts to integrate with Europe. Aside from the ethnically characterised curricula and policies, and their contribution toward discrimination and inequality, the education system as a whole displays substantive deficiencies with regard to its quality.

Interestingly, the OHR, which oversees the implementation of the provisions in Dayton, does not seem to include the problem of uncompetitive education in its discourse, whereas international organisations, such as the Organisation for Security and Cooperation in Europe (OSCE), are focussing on ways to strengthen the education system by transforming the focus from one on ethnicity and identity to one on results and skills (Majstorović 2007: 636). Nevertheless, it would be difficult to argue with the fact that the education system of BiH in general is in need of transformation.

Most notably, there seems to be a distinct mismatch between what is being taught in educational institutions and the resulting educational profiles of young people, and the qualifications which are needed in the current labour market. The European Commission points towards these “structural rigidities” and weaknesses within education as factors in the poor performance of the labour market (European Commission 2012: 29). Lack of opportunities for critical thinking, particularly in subjects such as history, coupled with slow progress in areas of research and innovation, has rendered the education system complicit in creating a workforce that is ill-equipped to compete within the existing system or contribute towards a more Europeanised system.

It is important to note, in light of what has been discussed and the predominantly negative character of the education system in Bosnia and Herzegovina, that efforts have been made to improve this system. The development of Framework laws on primary, secondary and higher education has served to promote cross-country coordination, while the introduction of the Common Core Curriculum 2003 has sought to align curricula to some extent. Furthermore, a welcome development has been the wider recognition of third-level qualifications across the country.

However, unfortunately, the implementation of these initiatives remains inconsistent. The lack of any efficient coordination mechanism between entities and cantons and the non-existence of any competent authority on education mean that, in effect, local government continues to determine educational policy, often completely independently of any other authority. It seems that the vast majority of positive initiatives within the education system of BiH are hampered persistently by local, ethnically driven politics and a marked lack of will to cooperate and coordinate across ethnic lines. Furthermore, educational policies and practices serve predominantly to sustain division between groups, rendering the creation of any shared goals for the country, including a shared vision of European integration, unlikely at present.
THE EUROPEAN PARADOX: WHO IS TO BLAME?

Evidently, education in BiH presents itself as a rather grim spectacle. Upon first impressions, and based on what has already been discussed in this paper, problems within Bosnian education would appear to derive solely from the inability of political figures to commit themselves to meaningful cooperation with one another across ethnic lines. Realistically, however, there are more than just domestic factors at play. Given that the new Bosnian state was constructed in no small part with the assistance of the international community, it would appear that the latter, too, should hold some responsibility for the state of education in the country (Magill 2010). Nevertheless, despite the aforementioned multiple criticisms of the education system from the EU bodies, the commitment of the EU to actually contribute towards reform in this field appears markedly slow, particularly when compared to other areas such as the judicial sector, for example, where reforms have been supported and even enforced. Even though the EU-BiH consultative task force was set up in 1998 in order to offer advice and guidance in education among other areas, it was not until 2002 that the OSCE began actively encouraging and implementing reforms in education, and the EU, along with the rest of the international community, appeared hesitant in the first decade after war to contribute towards or deal with education issues and reforms, leaving the former to fester (Brljavac 2012; Fischer 2006). In and through the aforementioned OHR – mostly held by European diplomats – and the OSCE, there has been a strong European presence in BiH since the end of the war (Majstorović 2007: 628). Thus, the question arises as to why the field of education is so underdeveloped with regard to its standards, and in comparison with its European counterparts.

Therein, it seems, lies the paradox. Although the European rhetoric seems to employ the “carrot and stick” method of encouraging BiH to adhere to its standards through sanctions and rewards, these are rarely extended to the field of education, and, as has been mentioned, they are seemingly reserved for other fields such as law enforcement, justice and security (Brljavac 2011a; Majstorović 2007: 649). As mentioned previously, BiH participates in the Stabilisation and Association Process (SAP) of the EU, in which education is a target area, and it has signed the Stabilisation and Association Agreement (SAA), as well as the Interim Agreement, but remains in breach of the latter, due to its non-compliance with the ECHR (Brljavac 2011a; European Commission 2012: 6). This non-compliance with the European standards in human rights with regard to education is evident in the abovementioned criticisms from the European Parliament, Commission, and human rights bodies related to the ECHR as well as the FCNM; nevertheless, slow progress in these areas could be construed as being reflective of a lack of committed participation and support from a very present EU – incapable of fulfilling its promises – and the broader European community, despite their criticisms, as well as domestic political obstacles (Brljavac 2011a, 2011b).
CONCLUSION

As has been suggested, it is difficult, if possible at all, to present the education system of BiH in any manner other than critical. Not only do uncooperative political elites and their persistent use of nationalistic rhetoric contribute to the continuation of a system of blatant inequality and discrimination towards and between constituent groups and minorities, and one in which ethnic stereotypes are repeatedly emphasised; also, the actual substance of education is sub-standard with regard to Europe. An uncompetitive system, which does little to promote subjects which would be beneficial for the creation of a skilled workforce and thus the integration of struggling economy into the European labour market, only serves to stifle further any Bosnian efforts to establish itself as a ‘European’ country, despite its geographical position and proximity to the EU.

More frustratingly, this stagnation of the education system is not only down to local and domestic politics. As uncooperative and uncoordinated as the latter are, it must be remembered that BiH, as it is, is an internationally constructed state. The very constitution of BiH, which defined the ethnically based territorial boundaries as they still exist today, was drafted as part of the DPA with American assistance. Furthermore, Europe and the European Union have played a massive role in the construction of the Bosnian state since the end of the war. Unfortunately, and, perhaps tragically, however, most efforts have been dedicated to areas other than education, and efforts in the latter have been decidedly slow and late, perhaps too late, undoubtedly casting a shadow over the future of the country and that of its youth.

Unless effective, impartial mechanisms and institutions for competent coordination and monitoring of education ministries are put in place, it appears that Bosnia and Herzegovina will remain, for the foreseeable future, an unlikely candidate for European consideration, lagging behind its geographical neighbours on a variety of fronts, and failing to measure up to common standards. Moreover, given the specific nature of BiH and its modern construction, the onus lies equally with the European Union and the broader European normative system to actively encourage and aid Bosnian institutions and systems, specifically the education system, in developing and improving standards. Put simply, it is impossible to expect a state, which has been essentially internationally created, to measure up to and integrate itself with a set of rules and values without the help of the creators of these rules, across all areas. Progress within the education system will ultimately depend on the commitment and cooperation of domestic politicians, as well as on structures and reliable support from Europe. Without this, the criticisms and recommendations of the latter are at a dire risk of futility.
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FACTORS DETERMINING THE PRESENCE OF WOMEN IN POLITICS IN THE COUNTRIES OF THE WESTERN BALKANS

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Abstract

After the fall of socialism in the course of the great regime transformation, the countries of Central and Eastern Europe, especially those in the Balkans, articulated and introduced a number of democratic changes. This academic article analyses women's political presence, the effect of socio-economic, cultural and institutional factors, and their impact on the position of women in public and private spheres. The focus of the research are three selected case studies from the Western Balkans (Macedonia, Serbia and Croatia), as well as the impact of the processes of globalisation and Europeanisation on the positive changes within these countries. During the disintegration of the Socialist Federative Republic of Yugoslavia, and the numerous conflicts and wars, gender equality was overshadowed for almost a decade. As a factor influencing women's political presence, we will consider institutional factors (electoral systems, political strategies – electoral and voluntary quotas; the influence of political parties), socio-economic factors and cultural factors. The positive strategies of introducing electoral quotas, as well as changes to the electoral systems, have behaved as a mechanism for encouraging a stronger presence of women in national parliaments. However, in these countries, it is necessary to introduce measures to eliminate traditional perceptions in order to overcome the stereotypes, dogmas, traditionalism and patriarchalism, which are the main obstacles to the political inclusion of women.

Keywords

Women's political presence, transition, Western Balkans, factors determining the presence of women, Europeanisation

INTRODUCTION

The democratic development of countries implies respecting the principle of equality, as well as presence and representation of all citizens in society, including the marginalised groups regarding social, gender or ethnical divisions (Hughes 2011). A lot of researchers have investigations based on the causes of under-representation of women in politics, indicating the institutional, socio-economic and cultural factors (Burnet 2011; Beckwith 2011; Cowell-Meyers 2011; Hayes 2011; Hughes 2011;
Lessons Learned for the European Union

Kann 2011; Kunovich 2012; Hannagan et al. 2012). The identification of the factors which influence the political presence of women in post-socialist (i.e. transition) countries from the Western Balkans94 in the period from 1990 to 2009 is the main subject of this paper.

Starting from the theoretical concepts of the constructivist approach (Towns 2010), the concept of culture (Hansen et al. 2011; Hannagan et al. 2012) and gender equality (Lombardo and Verloo 2009), the present paper will be directed towards discovering the reasons for women’s political exclusion within post-socialist countries in the Western Balkans. According to the categorisation by Ann Phillips (1995, 1998), we use the term “presence” as the most adequate solution for the numerical representation of women in the authorities, as opposed to the research of descriptive and substantive representation (Mansbridge 2011; Pearson and Dancey 2011). In order to conduct the research regarding the influence of the factors on the political presence of women in politics, decision-making governmental bodies in the period from 1990 to 2009, we use comparative analyses of three case studies from the Western Balkans. The historic and transitional context, as well as the level of democratic development, refers to three (post-socialist) countries: Macedonia-MK, Serbia-RS and Croatia-HR. The model of similarities and differences (Berg-Schlosser and De Meur 2009) as well as quantitative data and relevant empirical research (Nacevska 2013), which relate to the political presence of women, show similarities in reference to several criteria within the chosen countries.

In post-socialist countries, except for the processes of transition, poverty, the factor of war influence, was also of crucial meaning. This contributed to the return to a closed society and the division of male and female roles in the spirit of traditional values (Kuzmanović 2002; Kašić 2006; Đurić- Galligan et al. 2007). Bearing

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94 The Balkans include the region from the West towards the East: Slovenia, Croatia, Bosnia and Herzegovina, Serbia, Montenegro, Kosovo, Albania, and Macedonia. All of these countries were part of the former Yugoslav federation (SFRY) with the exception of Albania (Antić Gaber and Lokar 2006). The term Western Balkans, is used by the European Union to differentiate the countries from the SFRY, minus Slovenia, plus Albania, in a political sense from Southeastern Europe, i.e. the countries which are not members of the European Union (Commission of the European communities 2008). These countries have different statuses regarding membership in the EU. Croatia got the status of a candidate member in the EU in 2004, accession negotiation in 2005, and accession contract in 2011. It is expected that, in January 2013, it will receive the status of a full-fledged member of the EU (Ministry of Foreign and European Affairs of the Republic of Croatia 2013). Macedonia received the status of a candidate member in 2005 (Government of the Republic of Macedonia, Secretariat for European Affairs 2013), but there is still no date for negotiations (due to the name dispute between the Republic of Macedonia and Greece); Serbia commenced the accession process in 2005, but due to the unfulfilment of the criterion for collaboration with the Hague Tribunal, they signed the Association and Accession Agreement in 2008, and it will become valid in 2012. Serbia became an official candidate member in 2012 (Government of the Republic of Serbia, European Integration Office 2013).
in mind the transition level of the countries and the EU integration processes, the EU’s influence as an external factor of pressure on the national policies and institutional changes within the researched countries as candidate members (except for Croatia) is also a very important part.\footnote{The status “candidate member state” belongs to the countries which have previously applied for membership in the European Union and received the candidate membership status. In order for a country to join the EU, it is necessary to fulfil certain economic and political criteria called the Copenhagen criteria 1993. These criteria refer to the democratic rule of the Eastern bloc countries and they include respect for the principles of rule of law, respect for human rights, protection for minorities, free market economy, and all criteria in accordance with the political, economic and monetary union. According to the Maastricht Treaty on European Union (TEU 1992), each member state and the European Parliament need to give their consent for the acceptance of new members, who, according to Article 2, must respect criteria such as civil dignity, freedom, equality, democracy, rule of law, and the rights of minorities. At the European Council in Madrid 1995, upon the revision of membership criteria, it was also established that each candidate country should prepare the administrative structure and adjust the national legislative to the legislative of the European Community called acquis communautaire. Upon the enlargement of the EU to 27 members, together with Bulgaria and Romania, in 2007, Croatia joined the EU in 2013 (European Parliament 2013). The criteria for the EU integration of the Western Balkans were established at the EU summit in Thessaloniki 2003, as a priority for the expansion of the EU. The relationships of the EU with the countries from the Western Balkans were transferred from external policies to expansion policies and processes (2005). In accordance with the process of stabilisation and association, and the speed of integration as well, some of the countries from the Western Balkans are already candidate members (Macedonia and Serbia), while some are still potential candidate members (e.g. Bosnia and Herzegovina and Albania) \textit{(ibid.)}.} During the difficult conditions and processes of the disintegration of the SFRY, accompanied by numerous conflicts and war actions, gender equality and gender rights remained in the shadow for almost a decade. The impact of this was especially visible in the traditional division of gender roles and cultural stereotypes (Đurić-Kuzmanović 2002). Overcoming these conditions is also part of the EU strategies through hard law (McCrudden and Prechal 2009) and soft law (Walby 2004: 7).\footnote{The concept “soft law” is most often used to describe the communication at intergovernmental level, policies and good practices, as opposed to “hard law” which come from the binding force of the contracts, directives and provisions within the EU. Although the hard law illuminates important aspects at the levels of obligation and sanctioning, the soft law still tends to achieve better practical effects. The soft law is opposed to the hard law as a legally binding force and has a special role in the EU integration (Trubek and Trubek 2005).} Within the soft instruments, the concept of “gender mainstreaming” is of high importance.\footnote{The Fourth World Conference on Women (Beijing 1995) introduced the strategy of “gender mainstreaming” as a key point in diminishing the inequality between men and women. “Gender mainstreaming” – a relationship between the genders, or gender balance and perspectives, represents a process of acceptance and implementation of planned activities including legislation, policies and programmes for each level and area, as a conceptual frame, methodology and presentation of good practices (Council of Europe 1998). In the EU, according to the definition of the Council of Europe, “gender mainstreaming” means: “The reorganization,} It implies encouraging greater presence of
women in political life, and it also concerns the distinction of woman’s role in private and public spheres (Gohrisch et al. 2001). The EU integration process and the influence of the EU as an external factor on the implementation and harmonisation of the EU candidate members’ legislation with the EU legislation lead to institutional changes within the candidate countries.

**Figure 1:** Outline of the dominant criteria (similarities) in the choice of countries (Macedonia, Serbia, and Croatia)

<table>
<thead>
<tr>
<th>General historical and geopolitical conditions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Period of transition socialism/post-socialism and the establishment of democracy, period of social, political and economic transition</td>
</tr>
<tr>
<td>Party system, Electoral system,</td>
</tr>
<tr>
<td>Socioeconomic development</td>
</tr>
<tr>
<td>Political culture, tradition, religion, ethnical division</td>
</tr>
<tr>
<td>Presence of war</td>
</tr>
<tr>
<td>External factor, international influences</td>
</tr>
</tbody>
</table>

*Source: The model is adjusted according to the models of system analyses (Easton 1965; Berg-Schlosser and Mitchell 2000) and the similarities/differences model (Berg-Schlosser and De Meur 2009).*

**RESEARCH QUESTIONS AND THEORETICAL OVERVIEW OF THE FACTORS DETERMINING THE PRESENCE OF WOMEN IN POLITICS**

The main idea of this paper is to explore the factors that influence the presence of women in politics in the selected countries of the Western Balkans.

The previous theoretical elaborations (Lovenduski and Norris 1993; Antić Gaber 1998, 1999, 2011; Norris 1997, 2004; Marland and Montgomery 2003a; Tremblay 2006; Beckwith 2011; Burnet 2011; Cowell-Meyers 2011; Fink-Hafner et al. 2011; Hayes 2011; Hughes 2011; Kann 2011; Dahlerup 2012; Hannagan et al. 2012; Kunovich 2012) prove a causal connection between the variables of influence on the political presence of women in the decision-making process. Set in this way, the theoretical basis includes influence and pressure on the variables “bottom-up” and “top-down” (Lovenduski 1997, 1999) and the impact of the social and cultural factors which prevail over the institutional factors (Đurić-Kuzmanović 2002; Vasiljević...
III. Diversity Management in the Post-conflict Societies

2003; Leinert Novosel 2007; Kamenov and Galić 2009). On the basis of the current analyses, the following paper aims at answering questions such as: What are the reasons for the lower level of political presence of women in the three selected countries, that is, Macedonia, Serbia and Croatia? Are these conditions of marginalisation due to the value matrix of the societies, the inappropriate legislative frame or the process of its implementation? How do institutional factors (electoral system, quotas, parties, institutions) influence the political presence? What is the level of influence from the non-governmental organisations? What is the influence of war? How much and in what way does the external pressure (the EU and global actors) influence the political presence of women?

**Figure 2:** Outline of the factors and the causal connection to the political presence

![Figure 2: Outline of the factors and the causal connection to the political presence](image)

*Note: IF – International factors; EU – particularly EU.*

### THE POSITION OF WOMEN IN THE PERIOD OF TRANSITION (FROM SOCIALISM TO POST-SOCIALISM)

According to Jogan (2000), the term “transition” leads to two important points: the adoption of pluralistic parliamentary democracy and the adoption of market economy. However, some East European (former socialist) countries adapted relatively quickly to the new Western democratic order, others found this more difficult, and a third group – the Western Balkans for example – found this extremely difficult (Funk and 98 Linz and Stepan (1998) provide an ample empirical material (regarding the stability of the countries, the development of active civil society, rule of law, civil freedoms, free market economy…) which can be used as a value matrix in order to prove demographic deficit within transition countries from the Western Balkan. The democratic transition is finished when a certain agreement
Lessons Learned for the European Union

Mueller 1993). Haggard and Kaufman (2012) define three types of transition: first, transition encouraged by international pressure (the example of Macedonia), second, transition involved in intra-elite conflicts, and third, transition with predominant authoritarian elites under the control of which democratic redistribution is conducted (Serbia, Croatia). Since 1991, Croatia has been included in non-distributive conflict transitions (Haggard et al. 2012; Polity IV Project database 201499). Firstly, transition in Croatia started with the democratic efforts during the first multiparty elections (the majority of votes won by HDZ – Croatian Democratic Union). Mass mobilisation in this model is defined as a result of the former authoritarian government, which later turned into tensions, ethnic conflicts, regional nationalism and separatism. Transition in Croatia has unfolded in two phases: the first after 1991 and the second phase from 2000 onwards (domination of the opposition, coalition led by the SDP – Social Democratic Party). The role of the distributive conflict after the wars in Croatia and Bosnia and Herzegovina in 1995 was to offer the opportunity for the establishment of democracy (Ottaway and Maltz 2001; International Crisis Group 2002). According to Polity IV Project database (2014), Macedonia belongs to the non-distributive conflict transitions. Like Croatia, after Yugoslavia’s dissolution, in Macedonia it’s the first phase of transition (1991) concerned the reforms, multiparty elections and economic changes; because it was impossible to form a coalition majority by the biggest right-oriented party, VMRO-DPMNE (Internal Macedonian Revolutionary Organisation – Democratic Party for Macedonian National Unity) formed expert government, which was later replaced by the victory of the left-oriented SDSM (Social Democratic Union of Macedonia, the former communist party). The second phase ensued after the war conflict in 2001. Mobilisation was present (just like in Croatia), but as a result of the presence of international forces (UN), Macedonia was not directly involved in the Balkan wars (Woodward 1995; Haggard et al. 2012). In Serbia, transition took place in several phases as well, and this led to the creation of statehood communities – originally as part of the Federal Republic of Yugoslavia (1991), later the State Union of Serbia and Montenegro (2003), and finally as an independent country (2006). Compared to the rest of the countries in the region, Serbia has faced the most dramatic transition. According to Polity IV Project database (2014), Serbia belongs to the non-distributive conflict transitions, but the role of mobilisation is more important regarding the top-down demonstrations (against the authoritarian ruling of president Milošević). Beside the poor economic conditions, there were also other aspects to consider, such as the influence of war on the territory of Bosnia and Herzegovina until 1995, the mass stu-

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99 Polity Project is part of the Socially-systematic research including peace research. According to the coding rules of Polity IV (Polity IV Project database 2014) polity coding of transition as a transfer to democracy is marked from 6 in the upper scale to 6 in the lower scale.
dent protests (1996 and 1997), the war in Kosovo (1998) and the NATO attacks on Serbia, until 2000 when the opposition won the election¹⁰⁰ (Cohen 2001; Tohpson and Kuntz 2004; Polity IV Project database 2014).

**Figure 3:** Line of changes to democratic transition in MK, RS, HR (non-distributive conflict transitions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Polity</th>
<th>Dem.</th>
<th>Autoc.</th>
<th>Changes</th>
</tr>
</thead>
<tbody>
<tr>
<td>MK 1991</td>
<td>6</td>
<td>6</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>MK 2002</td>
<td>9</td>
<td>9</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>MK 2009</td>
<td>9</td>
<td>9</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>SRY 1991</td>
<td>-5</td>
<td>0</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>SRY 1993</td>
<td>-7</td>
<td>0</td>
<td>7</td>
<td></td>
</tr>
<tr>
<td>SRY 1997</td>
<td>-6</td>
<td>0</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>SRY 1999</td>
<td>-6</td>
<td>0</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>SRY 2000</td>
<td>7</td>
<td>7</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>SCG 2003</td>
<td>6</td>
<td>6</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>RS 2006</td>
<td>8</td>
<td>9</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>RS 2009</td>
<td>8</td>
<td>9</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>HR 1991</td>
<td>-3</td>
<td>1</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>HR 1993</td>
<td>-5</td>
<td>0</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>HR 1999</td>
<td>88</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>HR 2000</td>
<td>8</td>
<td>8</td>
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<td></td>
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<tr>
<td>HR 2005</td>
<td>9</td>
<td>9</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>HR 2009</td>
<td>9</td>
<td>9</td>
<td>0</td>
<td></td>
</tr>
</tbody>
</table>

**Notes:**

**Democracy (Dem.)** – The democracy variables are in scale from 0 to 10 (according to values of pluralism, political participation). According to this +10 are string democracies, -10 strong authoritarian regimes. **Polity** – according to the coding regulations by Polity IV (Project: Dataset Users Manual), polity coding of transition as a transfer towards democracy is marked -10 for authoritarian regimes, monarchies, +10 for consolidated democracies, autocracies from -10 to -6, anocracies (a mix between democracy and autocracy) 66, -77, -88, and democracy +6 to +10. **Authoritarian regimes (Autoc.)** – The data refer to the type of regime according to the variables of established democracy (dem.), authoritarian regimes (autoc.).

According to Cheibub et al.’s research (2010) – coding through CVG transitions, as well as Polity transitions reports (Polity IV Project database 2014), and transition types according to Haggard et al. (2012), these countries belong to non-distributive conflict transitions.

**Note:** The year of changes marks the phase of significant changes for the establishment of democracy.

**Source:** Polity IV Project database 2014; Cheibub et al. 2010; Haggard et al. 2012.

The democracy deficit of transition in these post-social countries, definitely reflected on women’s position in these societies. Cultural variables, religion, nationalism,
ethnecities and traditional stereotypes for the division of gender roles (which were believed to become marginalised with the development of civil society) developed into a new expansion after the fall of communism (Naisbitt and Aburdene 1990: 334–5).

The political presence of women during the communist regime was called “state feminism” or “top-down feminism” (Jalušić 1999). As a post-conflict region, the Western Balkans faced a lot of new political problems on the one hand, and tendency towards the EU integrations as a key guiding political element (especially as a necessity for overcoming the nationalistic spirit in the governing of the countries) on the other hand (Beck and Giddens 2005). Hence, Jogan (2000, 2011) emphasises the need for dehistoricisation of transition societies, repatriarchalisation of women’s roles, and strategies for overcoming androcentrism through external pressure for gender balance and equality. Actually, integration and accession to the European Union represent a unique kind of transition within a transition (Ehrke 2005). The creation of new democracies by establishing political pluralism in Eastern Europe caused two general social changes: first, the appearance of nationalism, separatism, secessionism and ethno-nationalism, especially towards the minorities (Walby 1990), and second, discrimination regarding civil and social rights, especially against women’s rights legally established during the communist regime (Milić 1993; Funk 1996). On the other hand, the EU integration in the post-communist European countries is still facing the challenges to achieve complete gender equality, as an external pressure in the course of intensive activation of mechanisms and in upgrading the legislation, which will provide equal opportunities.

THE NEW DEVELOPMENT POLICIES REGARDING WOMEN’S POLITICAL PRESENCE IN MACEDONIA, SERBIA AND CROATIA (1990–2012)

The analysis and dynamics of development policies for encouraging greater political presence of women in Macedonia, Serbia and Croatia indicate five points of convergence and differences in the development in the period of transition, independence and democratisation of these countries. First, the political system and designing the electoral system. Second, the introduction of quotas in election law in order to encourage greater presence of women in representative bodies. Third, passing the Law on Gender Equality and forming institutional mechanisms. Fourth, legal solutions and regulations for encouraging political presence of women in political parties. Fifth, the dynamics of adopting international regulations and developing the normative framework and the stabilisation and association process for accession to the EU.

- All three countries apply the proportional electoral system for the allocation of mandates, i.e. in the development of electoral legislation, there is a transition

101 Such as the Kosovo status, ethnic conflicts in Macedonia, the war between Croatia and Serbia and the border issue between Croatia and Slovenia.
III. Diversity Management in the Post-conflict Societies

from a majority through a mixed to a proportional system. When electing people’s representatives in legislative bodies, closed election lists are used with a previously determined order of candidates, D’Hondt method of counting votes, except in Serbia where there are unblocked closed lists (Jovanović 2004). In Serbia, the whole territory is one constituency, while Macedonia is divided into six and Croatia into twelve constituencies. This is most often distributed according to the Law on Constituencies, i.e. in accordance with geographic criteria such as population, or ethnic criteria (in the case of Macedonia). The election threshold in Serbia and Croatia is 5 %, while in Macedonia the threshold is not defined, which is an election disadvantage. This manner of allocating mandates in the former Yugoslav republics has proven to be quite positive, not only regarding the political presence of women, but also regarding marginalised groups (ethnic, religious) (Bieber 2004).

- The introduction of quotas (Krook 2006; Burnet 2011) in many countries was imposed as a result of the intention to increase the number of women in representative bodies and in political life in general. According to Antić Gaber and Lokar (2006), the introduction of quotas has three phases of ideological background in almost all Balkan countries: from 1990 to the Beijing conference in 1995 – open rejection; from 1995 to 1999 – partial acceptance of the provisions from the Beijing platform and quotas but only within certain political parties; from 1999 to 2004 – period within the Stabilisation and Association Agreement for Southeastern Europe and a phase of gradual acceptance of the quotas, although under pressure (on the one hand, in some countries, by the OSCE, and on the other hand by the SP Gender Task Force/GTF)\textsuperscript{102} with a special attention to the Western Balkans (Antić Gaber and Lokar 2006). In Macedonia, with the Stabilization Agreement, GTF and Macedonian Women’s Lobby (MWL), also helped form the initiation for the “Gentlemen’s Agreement” in 2000, which was realised as a successful action and a reason for incorporating quotas in the election legislation as the only way to increase the number of women in representative bodies (Antić Gaber and Lokar 2006). In this direction, several laws were passed – the law on members of parliament in 2002, which envisages a 30 % quota for the under-represented sex (Law on Election Districts for the Election of Members of Parliament of the Republic of Macedonia), the law on local elections 2004 – 30 % quota for the under-represented sex and their position in the lower or up-

\textsuperscript{102} SP GTF is a regional Southeastern initiative coming from the members of the Stabilisation Agreement for Southeastern Europe at the Sarajevo Summit in 1999. Over 150 renowned women, NGOs, governmental actors and political activities from Southeastern Europe as well as numerous supporters outside the region, expressed their concern about the position of women in the region. On the EU’s initiative, on 10 June 1999, the Stabilisation Agreement was adopted in Cologne. In the founding document, more than 40 countries, partners and organisations were committed to put in efforts to encourage peace, democracy, respect for human rights and economic prosperity in order to achieve stability in the region of Southeastern Europe.
per half of the lists (Law on Local Elections of the Republic of Macedonia: Art. 15a), Election Code 2006 – for each third place on the list, at least one belongs to the under-represented sex (Electoral Code of the Republic of Macedonia: Art. 64, par. 5).

• In the same period in Serbia, the basic changes in the legislation in order to encourage greater presence of women are introduced in the period between 2002 and 2004 through the election laws at local (Law on Local Elections of the Republic of Serbia), provincial (Law on Election of Members of the Assembly of the Autonomous Province of Vojvodina) and the republican level (Law on the Amendments to the Law on the Election of Members of Parliament) – 30 % quotas for the under-represented gender on the candidate lists (Aleksić and Lukić 2000; Pajvančić 2010).

• Unlike Macedonia and Serbia, in Croatia the quotas are introduced through the Gender Equality Act. First measures are introduced with the Law on Political Parties (Act on Political Parties – Official Gazette of RC No. 76/93; 111/96; 164/98 and 36/01) – 10 % financial fee for the party for every candidate from the under-represented gender. In 2008, the new Gender Equality Act (Gender Equality Act of the Republic of Croatia) was harmonised additionally with the European Directive 2006/54/EC (European parliament and Council of the EU 2006); for the first time, electoral quotas were introduced at all levels in order to increase the number of women in representative bodies to at least 40 % representation for the under-represented gender on the candidate lists. The definition of gender imbalance in public and political life from the Council of Europe was incorporated within the national policy for gender equality for the period from 2011 to 2015 (National Policy for Gender Equality 2011–2015). Moreover, the legal framework was specified with the Act on Election of Representative Bodies of the Units of Local and Regional Self-Government (2006), which obliges political parties as nominators of lists to operate according to the Gender Equality Act. The Gender Equality Act was a general principle of the legislation in the direction of taking measures for protection against discrimination on the basis of gender. Although the quotas were introduced later in Croatia, still Croatian legislation had the intention to establish anti-discrimination laws which guarantee gender equality and raising citizens’ awareness (National Policy for Gender Equality 2011–2015). Some data show that the attitudes of citizens from Croatia and other candidate members regarding gender equality are generally the same103 (European Commission 2009; Nacevska 2013).

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103 From all people included in the research, 62 % in the EU and 58 % in Croatia think that women and men are not equal. At the same time 64 % of the researched people in the EU and 59 % in Croatia think that there has been considerable improvement over the last decade and that gender discrimination has decreased in this period (European Commission 2009).
• According to the Laws on Political Parties in all three countries, there are exact definitions, a Statute and a Programme as founding documents, a certain manner of financing, the necessary census for the formation … Regarding the measures for encouraging political presence of women and anti-discrimination provisions, in Macedonia, the Law envisages prohibition of gender discrimination. In Serbia, on the other hand, there are no provisions in the Law on Political Parties which would encourage women’s political presence. Croatia has the most developed legislation with measures for each candidate from the underrepresented gender 10% financial compensation for the party (Act on Political Parties – Official Gazette of RC No. 76/93; 111/96; 164/98 and 36/01).

• According to the Copenhagen and Madrid criteria, directives, recommendations and resolutions by the EU for equal opportunities for men and women, which are transposed to domestic legislation, the Laws on Gender Equality are passed in all three countries. In Macedonia, the Law on Equal Opportunities was passed in 2006, amendments were made in 2008 (Amandmends on the Law on Equal Opportunities), and in 2012 a new Law on Equal Opportunities was passed, which envisages specific measures for the promotion of equal

104 Directives transferred in domestic legislation:
- 75/117/EEC – Directive regarding the principle of equal payment for men and women (Council of the European Union 1975);
- 76/207/EEC – Directive for equal treatment in employment and vocation (Council of the European Union 1976);
- 2000/78/EC – Directive regarding the establishment of a general framework for equal treatment in employment and vocation vocation (Council of the European Union 2000a);
- 97/80/EC – Directive regarding the burden of proof in case of gender discrimination (Council of the European Union 1997);
- 92/85/EEC – Directive regarding the protection of pregnant women (Council of the European Union 1992a);
- 2004/113/EC – Directive regarding the implementation on the principle of equal treatment of men and women in the approach to and providing goods and services (Council of the European Union 2004);
- 2000/43/EC – Directive regarding the implementation of the principle of equal treatment of people regardless of their race or ethnic background (Council of the European Union 2000b);
- 2002/73/EC – Directive regarding the changes and amendments of Directives (European parliament and Council of the European Union 2002);
- Recommendation 96/694/EC for balanced participation of men and women in the decision-making process (Council of the European Union 1996);
- Recommendation 84/635/EEC for promotion of the implementation of measures for affirmative action by women (Council of the European Union 1984);
- Recommendation 92/131/EEC for protecting the dignity of men and women at work (Council of the European Union 1992b);
- Recommendation 87/567/EEC for professional education of women (Council of the European Union 1987);
- Resolution (85/C 166/1) from 1985, which includes action programme for the implementation of the principle of equal opportunities for men and women in education (Commission of the European communities 1985).
opportunities for men and women (Law on Equal Opportunities from 2012). In Serbia, although it was withdrawn from procedure several times (Pajvančić 2010), the Gender Equality Act was passed for the first time in 2009 and is the most important segment of the internal law and the most essential instrument of the gender equality policy (Gender Equality Act of the Republic of Serbia). In Croatia, the Gender Equality Act was passed for the first time in 2003 (Gender Equality Act of the Republic of Croatia), as a result of the harmonisation of legislation and the encouragement of greater presence of women in all aspects of social life (Rodin 2003a, 2003b). In 2008, a new Gender Equality Act was passed, which includes quotas for the under-represented gender in the political ruling structures. Regarding institutional mechanisms, all three countries have assemblies (committees) for equality, and government bodies (department, commission, office, committee) formed throughout several phases and time periods.

The Stabilisation and Association Process to the EU was reflected in the activities for the integration of the Western Balkans within the European Union and in the need to harmonise the legislation with the European legislation. As a result of the developments at the time of transition, war, ethnic conflicts, poor economic transition, ethno-nationalist policy and politics (Silber and Little 1997; Liotta 2001; Bebler 2008), all of these processes took place very slowly in all three countries. The perception of the international community was that the Western Balkans showed a high level of unfavourable political context regarding gender equality policy (UN General Assembly 2007). The new and freshly established democracies in these countries face the problem of no rule of law (Ruminska-Zimny 2002). This constellation of developments led to unfavourable conditions for citizens, especially for the position of women (Ruminska-Zimny 2002; Barković and Vinković 2006). Even in 2003, the beginning of integration policy and processes towards the EU could be felt (Pridham 2008). The stabilisation and association agreement with the EU was signed in Macedonia in 2001 (Stabilisation and Association Agreement between the European Communities and their Member States, of the one part, and the former Yugoslav Republic of Macedonia, of the other part – SAA RM), in Serbia in 2008 (Stabilisation and Association Agreement for the legal order of the EU and the Republic of Serbia – SAA RS, which came into power in 2010) and in Croatia in 2001 (Stabilisation and Association Agreement for the legal order of the EU and the Republic of Croatia – SAA RC). This meant formal obligations for the harmonisation of national legislation with the European legislation. The three countries are candidate members, although only Croatia has commenced its negotiation process (and it will become a full member in 2013). Macedonia has received the status of a candidate member in 2005, but no negotiation date (bearing
in mind the name dispute with Greece, Mirčev 2006),\textsuperscript{105} while Serbia\textsuperscript{106} began the process for the SSP RS in 2005, but due to the failure to fulfil the criteria of collaboration with the Hague Tribunal,\textsuperscript{107} the European Commission interrupted the negotiations in 2006 (Ramet 1992; Beck and Giddens 2005; Mihailović 2006a, 2006b). Later, in 2008, Serbia signed the stabilisation and association agreement, which came into force in 2010. The harmonisation and incorporation of the European legislation regarding gender equality\textsuperscript{108} in the national legislation mean incorporating new gender-sensitive legislation (Vinković 2005), establishing mechanisms, improving gender equality, raising citizens’ awareness regarding gender-sensitive issues and especially the European strategy for encouraging greater presence of women in political life (2010–2015).

\textsuperscript{105} More on the Macedonian-Greek issue in Maleska (2007).

\textsuperscript{106} At that time Serbia and Montenegro, as the country successor of the SFR Yugoslavia.

\textsuperscript{107} Due to the failure to fulfil the criteria regarding collaboration with the Hague Tribunal, especially as a result of Ratko Mladić being sheltered (while accused of war crimes and genocide in Bosnia and Herzegovina) (Ramet 1992).

\textsuperscript{108} Directives and recommendations by the EU (2000/43/EC – Directive regarding the implementation of the principle of equal treatment of people regardless of their race or ethnic background; Recommendation 96/694/EC for balanced participation of men and women in the decision-making process; 84/635/EEC for promotion and implementation of measures for affirmative action for women).
Table 1: Influence by international and supranational actors

<table>
<thead>
<tr>
<th>INTERNATIONAL ACTORS</th>
<th>MACEDONIA</th>
<th>SERBIA</th>
<th>CROATIA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reports after the Convention (YES)</td>
<td>Reports (YES, but in 2007)</td>
<td>Reports after the Convention (YES)</td>
<td></td>
</tr>
<tr>
<td>Implementation: Not complete</td>
<td>Implementation: Not complete</td>
<td>Implementation: Not complete</td>
<td></td>
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<tr>
<td>Facultative protocol CEDAW</td>
<td>2003</td>
<td>2002</td>
<td>2001</td>
</tr>
<tr>
<td>2002 Electoral Quotas</td>
<td>2004 Electoral Quotas</td>
<td>2008 Electoral Quotas – Gradual adjustment within the following three successive national elections</td>
<td></td>
</tr>
</tbody>
</table>
## Table 1: Influence by International and Supranational Actors

<table>
<thead>
<tr>
<th>EU – POSITIVE INTEGRATION/ COGNITIVE EUROPEANIZATION – OMC</th>
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<tbody>
<tr>
<td><strong>EU hard law</strong></td>
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<tr>
<td><strong>SAA RM 2001</strong> (Official Gazette of the Republic of Macedonia No. 07-1432/1)**</td>
</tr>
<tr>
<td>Influence: YES; Transposition: YES, current</td>
</tr>
<tr>
<td>75/117/EEC</td>
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<tr>
<td>2006 IEO (Official Gazette of the RM, No. 66/2006)</td>
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<tr>
<td><strong>SAA RS 2010</strong> (Official Gazette of the Republic of Serbia No. 83/2008)**</td>
</tr>
<tr>
<td>Influence: YES; Transposition: YES, current</td>
</tr>
<tr>
<td>2009 - GEA (Official Gazette of the RS, No. 104/2009)</td>
</tr>
<tr>
<td>Influence: YES; Transposition: YES</td>
</tr>
<tr>
<td>2003 - GEA (Official Gazette of the RC, No. 116/2003) Anti-discrimination Act - 2008 (Official Gazette of the RC, No. 85/08) 2008 – GEA / Within the Gender Equality Act which obliges political parties as nominators of the lists to act according to the Law - (Official Gazette of RC No. 82/08) 40% for elections on all levels Gender Equality Ombudsman 2003 Government Office for Gender Equality 2004 Coordinators on Gender Equality within state administration 2004</td>
</tr>
<tr>
<td><strong>EU soft law</strong></td>
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<td><strong>96/694/EC</strong></td>
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<td><strong>84/635/EEC</strong></td>
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<td><strong>92/131/EEC</strong></td>
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<td><strong>87/567/EEC</strong> (95/C 296/06) 1995 166/11)1985</td>
</tr>
<tr>
<td>2002 (Official Gazette of the RM, No. 42/2002; Сл. Вестник на ПМ 46/2004) 30% quota 2004 (Official Gazette of the RM, No. 35/2004) 30% quota and opportunities to be nominated in the upper and lower part of the list Electoral code – 2006 (Official Gazette of the RM, No. 40/2006) (for each three places on the list at least one is reserved for the under-represented sex) 30% quota is envisaged in the electoral organs (Official Gazette of the RM, No. 40/2006 Ar. 21, par. 3)</td>
</tr>
<tr>
<td><strong>Electoral law on a local level – 2002</strong> (Official Gazette of the RS, No. 33/02) 30% quota Electoral law on a provincial level – 2004 (Official Gazette of AP Vojvodina, No. 12/04) 30% quota Electoral law on a national level – 2004 (Official Gazette of the RS, No. 18/04) 30% quota</td>
</tr>
<tr>
<td>2008 – GEA (Official Gazette of RC No. 82/08) 40% quota for elections at all levels Gradual adaptation during the next three successive national elections since the day of enforcement</td>
</tr>
</tbody>
</table>

In all three countries it is evident that there is no influence from cognitive Europeanization due to the fact that they are still not member states in the Union. The basic form of pressure is directed towards hard laws, while in the creation of national public policies due to the pressure from the hard law there is reliance on the soft law – OMC with gender perspectives in the creation of policies for balanced presence of men and women in national parliaments, as well as regarding the employment policy.

The political changes which arose after the declaration of independence in the individual republics were also reflected in the victory of right-oriented parties (somewhere also conservative and predominantly nationalistic parties) (Ramet 1992; Woodward 2002). The processes of restructuring political, economic, and social relations in Croatia and Macedonia began in the 1980s and at the beginning of the 1990s. The war in Serbia, but even more so the authoritarian regime, slowed down these processes (Ramet 1992). In all three countries, equality as a basic postulate, meant formal and legal treatment, although it did not match the reality of the situation. The right to vote carries double meaning: at a symbolic level (formal equality of men and women) and at an instrumental level (opportunity to approach politics, decision-making processes and power) (Antić Gaber 1998). The drop of the political presence of women to 5% after the new elections in the independent countries reflected the reality of the political culture and the newly established patriarchal relations system (Matland and Montgomery 2003b).

Marginalisation and the cultural turn of citizenship regarding the transition from socialism to capitalism had a negative influence on all groups, including women (Cohen 1996; Mihailović 2006a). Due to the transition process in the direction of the institutionalisation of the new democratic order, which in Serbia, Croatia and Macedonia took place in a relatively turbulent dimension, it is inevitable that this region abounds in violations of human rights, nationalism, criminalisation, retraditionalisation, clericalism, and the appearance of non-civilian, retrogressive, antimodernisation developments (Vujadinović et al. 2004). The development of the legal framework in the direction of improving legal (formal) conditions – which meant encouraging factual equality or achieving gender equality in political structures, despite the countries’ efforts due to external pressure – still did not manage to solve this issue, although there was a positive effect.

After the first parliamentary elections in 1990, the percentage of elected women in the parliaments of the three countries moved from 1.6 in Serbia, 4.3 in Macedonia and 4.6 in Croatia. However, despite the formal and legal changes, the percentage of political presence of women in national parliaments is still relatively low. On the other hand, the European integration was even more influential in the creation of a new framework of modern gender equality policies, which in Macedonia was reflected with the SAA RM in 2001, in Croatia with the SSP in 2001 (SAA RC), and in Serbia with the SSP in 2010 (SAA RS).

109 In Croatia with the victory of the Croatian Democratic Union (HDZ), in Serbia with the Serbian Socialist Party (former communist), and in Macedonia with the right-oriented party VMRO-DPMNE (Ramet 1992; Woodward 2002).
**Figure 4**: A comparative view on the developments and dynamics of changes in the political presence in the parliament from 1990 to 2009 (number and % of women MPs – national level)

<table>
<thead>
<tr>
<th>Year</th>
<th>HRV - W</th>
<th>HRV - M</th>
<th>SRB - W</th>
<th>SRB - M</th>
<th>MKD - W</th>
<th>MKD - M</th>
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<td>246</td>
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</tbody>
</table>

Notes: HRV – W, HRV – M (Croatia Women, Croatia Men); SRB – W, SRB – M (Serbia Women, Serbia Men); MKD – W, MKD – M (Macedonia Women, Macedonia Men).


**Figure 5**: The dynamics of changes in political presence of women in executive government (Members of Government 1990–2009)

<table>
<thead>
<tr>
<th>Year</th>
<th>HRV - W</th>
<th>HRV - M</th>
<th>SRB - W</th>
<th>SRB - M</th>
<th>MKD - W</th>
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</tbody>
</table>

Notes: HRV – W, HRV – M (Croatia Women, Croatia Men); SRB – W, SRB – M (Serbia Women, Serbia Men); MKD – W, MKD – M (Macedonia Women, Macedonia Men).


The shift from socialism to democracy in these countries is reflected in the political presence of women though a decreasing trend from the regional average of 30%
Lessons Learned for the European Union

Lessons Learned for the European Union

to less than 10 % and in some countries even to 5 % (Matland and Montgomery 2003b). These percentages are indicative of the strong influence of conservative nationalist parties (especially in Croatia), where new parties very often promoted a traditional depiction of women (Kašić 2006). In Serbia, political parties marginalised the role of women not only in politics but also in public life in general, setting it in the patriarchal spirit of the traditional role within home and family (Đurić-Kuzmanović 2002). The focus of interest of feminist movements, especially in Croatia, was directed towards increasing the number of women in politics. This was emphasised by the appearance of new parties, mostly liberal-democratic parties (Milić 1995). In Macedonia, and in Serbia as well, there is a low level of identification of the party with the voters; they are not ideologically divided; rather, these countries have inherited the concept of identification of the party with party leaders, their personal characteristics, and they are gender-biased, as part of these characteristics, which is especially reflected in the low level of trust for women leaders (Pajvančić and Baćanović 2010). A very emphasised aspect is the reflection of the real political culture and patriarchal system of values, imposed by the right-oriented political parties and renewing the image of the traditional role of women in society (Drakulić 1996). Although filled with these paradoxes during this turbulent period of almost a decade, what comprises the dominant determinants are poverty, revived patriarchal awareness, chauvinist nationalism and even fundamentalism in different varieties (Milić 1994). These determinants influence the line of movement for the percentage of women’s political presence in the decision-making structures.

FACTORS INFLUENCING THE POLITICAL PRESENCE OF WOMEN – POSITIVE/NEGATIVE IMPACT OF INDIVIDUAL VARIABLES

The positive or negative influence on the political presence of women coming from certain factors cannot be taken as a generally constant dimension of influence within different countries. A comparative analysis of the statistical indicators (Nacevska 2013) and the dynamics of changes regarding the political presence of women points to a lower level of political presence of women within the three researched countries. A very important connection is the relation between culture and the citizens’ behavior as opposed to the formal and institutional changes. The key role in the creation of the perception of social relations leads to a discussion about subjectivity and identification, differences and similarities, as well as issues regarding experience and the possibility of subjectivity modus including the power to define “who is included and who is not in the political developments” (Nixon 1997).

In order to determine the type and intensity of influence of each variable and its positive or negative impact, a lot of researchers (Burnet 2011; Hughes 2011; Bicquelet et al. 2012) point to the positive influence of institutional factors, political strategies such as electoral and voluntary quotas on the promotion of greater presence of women in politics. In all three researched countries, the change of majority
to proportional electoral system had a positive effect, especially after the introduction of electoral quotas.\textsuperscript{110} This was very typical of Serbia where political developments imposed a negative trend on the situation, especially due to the influence of war as a factor. In Croatia, the influence from the proportional system was reflected in a greater percentage of political presence of elected women in 2000. However, it has been taken into consideration that the same elections brought a change of the government of HDZ as a center-right coalition. The change of the electoral system in Macedonia took place together with the incorporation of electoral quotas, which contributed to an increase in the number of women in the parliament elections in 2002. After the legal changes and the introduction of positive strategies and legal quotas, there was a positive change in the three case studies.

\textbf{Figure 6}: Impact of the proportional system and legal quotas on the political presence

\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{figure6.png}
\caption{Cross sections of the changes of presence}
\end{figure}

\textit{Note: the vertical arrows mark the period of introduction of the proportional electoral system, while the positive changes happen with the introduction of quotas.}


As the effect of legal gender quotas, as well as the electoral systems, the empirical analyses (Nacevska 2013) show a significant influence in terms of positive direction regarding the political presence of women, at least in a certain percentage (legally predetermined). However, the presence of women in a political decision-making position, especially in the executive government, is either non-existent or, in certain cases, the result of the pragmatic need of the political parties (personal connections), which does not allow representation of the women’s voting body. The

\textsuperscript{110} Some researchers point to the fact that quotas do not necessarily mean affirmative influence. A typical example of non-adaptability of electoral quotas was Lithuania where they were never fully realised.
real inclusion of women’s interests in decision-making processes is still determined by the existing dogmas and dominant perceptions regarding the success of men in politics as opposed to women. Political parties play a key role due to their function as recruiters of women on the one hand, and the ideological value matrix and the implementation of practices regarding the gender concept on the other hand; also important for the promotion of women’s political presence in party bodies and positions are programme orientation and party quotas. As a result of positive strategies, political parties now nominate a certain number of female candidates in electoral lists. However, it is still evident that gender prejudices and the political culture regarding the position of women in political life in general are present in different modalities within all three case studies. Socio-cultural factors come from historical and political conditions, culture, religion and dogmas expressed as dominant perceptions in society. The slow economic growth, low production level, high unemployment level, index of poverty, social dissatisfaction as well as the influence of war lead towards lack of substantial legitimacy of governmental institutions. This was immediately reflected in women’s position and presence in political life which saw a drastic drop to the level of complete exclusion (Đurić-Kuzmanović 2002). A comparative overview of statistical data shows that there are no big fluctuations and differences in the number of unemployed men and women, while in relation to the employment of men the number of employed men is almost double in comparison to the number of employed women (Nacevska 2013). This is mainly due to the fact that women’s participation in the workforce is almost 50 % lower. More precisely, they account for 60 % of the economically inactive population, which means that they belong to the working age population but are not looking for a job. The reason for the high percentage of women in the economically inactive population can be attributed to the traditional role of women as housewives, especially in rural areas. In a situation dominated by economic hardship and misogynistic cultural stereotypes a certain degree of gender equality was achieved mainly as a result of international obligations and pressure “from the top down”, as well as the pressure in the society especially from the non-governmental sector and female organisations. The main determinants of women’s position in post-socialist countries, then, are their constant struggle with difficulties related to the incorporation and especially the fulfilment of positive European standards on the one hand, and the legacy of the old system on the other hand (Cowles et al. 2001). The EU’s policies are address tradition, aiming to introduce good practices regarding gender balance and equality in all areas of social life. Although in Croatia, Macedonia and, later, in Serbia the processes of the integration with the EU resulted in legislative and institutional changes, which have had positive effects on the increase in the number of women in national parliaments, the analyses still show that this percentage does not meet the criteria of presence,

111 Misogyny – hatred against women.
i.e. it comes down to a mere numeric increase. Despite the general positive effect of the institutional changes, they are still in the shadow of the dominant culture in all three countries. The development and success of the positive influence from the factors of institutional engineering depend on the real pressure on the party elites regarding the incorporation of their internal and external politics as well as intraparty and extraparty activists in relation to gender equality (Antić Gaber 2011). It can be concluded that cultural factors and the dominant value matrix overshadow institutional facts. For instance, in Macedonia, despite the introduction of quotas in 2002, women were still ranked in lower positions on candidate lists, until changes were made in the EC in 2006 which introduced rules for ranking. However, this is indicative of forced emancipation. It is generally concluded that women are less included in government, i.e. they have minimal real decision-making power. Women’s presence is marginalised in higher decision-making positions. Women’s presence in Macedonia in governments from 1990 until today ranges from 2 to 4. The state needs to adopt special measures to change the negative attitude towards women working in politics (Nacevska 2013). The unblocked lists in Serbia provide change in the order of candidates who will win seats in the parliament. In the last elections in 2011, Croatia still did not have 40 % candidates from the under-represented gender due to the prolonged adaptation period given to the parties to implement legal changes (i.e. the following three successive elections). All of this points to the negative influence of cultural factors because the dominant perceptions in the Western Balkans still place women mainly within home and family and/or they situate ideals of womanhood in the private sphere. This points to women’s roles as mothers and caretakers which represents a barrier to political representation in the post-socialist patriarchal cultures as regards affirmative action policies. The perceptions of gender equality and the presence of women show a lack of trust in female candidates for political functions. The data from the public opinion survey in Croatia show citizens’ attitudes regarding patriarchal obstacles (49.4 %) and prejudices (32.1 %) (CESI 2007). The situation is similar in the other two researched countries. These stereotypes point to male domination in the function of social inclusion in the public sphere. The culture and the domination of negative perceptions of women’s political activity point to the existence of a cultural value matrix which, despite the conditions of social changes and development, does not see any equivalent change or progress. During the operationalisation and generation of the dominant behaviour and perceptions, according to the data (EVS 2008; WVS 2013), it can be noticed, based on the selected questions, that there are variations in the acceptance and non-acceptance of certain attitudes, as well as variations regarding the gender-divided segregation of attitudes. Most often, the respondents belonging to categories of unqualified or semi-qualified workers, farmers, housewives or population with lower level of education or no education at all, tend to support traditional attitudes towards women’s role in politics as a model of social momentum (Ignjatović et al. 2010). On the other hand, there are similarities regarding the same questions in the three case
Lessons Learned for the European Union

studies, especially with the male population in relation to the role of women in political life. For instance, in Croatia, despite the fastest progress of the legislation, the data from the public opinion surveys in 2008 (CESI 2007) still show that 52% of the population believe that there exists gender discrimination in the country. In Macedonia, despite the efforts of NGOs to raise the population’s awareness, there are still differences in the citizens’ preferences and gender-divided perceptions.

Comparative analysis of statistical data (Nacevska 2013) indicates a proportional trend of economic and democratic development, which has a very weak influence on the changes in women’s political presence, because specific changes were noticed even after the legislative and institutional changes. The education of women is also very significant in relation to greater presence of women in public life. The patriarchal value matrix and the perception of gender roles in society is preconditioned by the level of education. Education is the main factor in the creation of perceptions within the population. A real problem is the issue of independence that women have in the decision-making process of voting. The following are seen as obstacles preventing women from fulfilling their right to vote: tradition (family voting in the Albanian ethnic community), poor economic conditions of some women (poor economic conditions/ignorance leading to a certain apathy or a belief that their vote does not make any difference), low level of education of some women preventing them from fulfilling their right to vote (Nacevska 2013). The analyses of public opinion surveys in Serbia (Ignjatović et al. 2010) shows a patriarchal value matrix of the population with a lower education level. Regarding political presence, women with higher education account for the biggest part of the total number of women elected in parliament. However, the education trends in all three countries show a division when it comes to the choice of the field of education. On the other hand, economic developments and the employment/unemployment level also determine the role of women in the public sphere. Gender division is noticeable also in the process of the selection of vacations. Women are a lot more included in medicine, textile industry, education. For instance, women accounted for 82.5% of the total employees in the textile industry in Macedonia in 2003 (State Statistical Office of the Republic of Macedonia 2006). This division of professions points to the dominant traditional culture reflected in the political reality. Especially typical are women’s roles as unpaid family workers, which once again indicates their position in the private sphere. The public opinion surveys (WVS 2008; EVS 2008) show the dominant value matrix of patriarchy, collectivism and family-orientation (Dobrotić 2012). On the other hand, this is reflected in the distrust interpreted by political leaders in relation to the selection and nomination of female candidates in higher positions of power and decision-making, but also in the citizens’ trust in female candidates. According to the analyses, in all three countries, the role of women in politics is determined by traditional value attitudes and perceptions. It can be concluded that, despite the legislation changes and the introduction of institutional changes, the existing political culture of male domination in the political life is still dominant as regards political parties as actors in the political equilibrium.
CONCLUSION

Variables such as institutional changes encouraged by the EU and positive integration, on the one hand, and the negative influence of the dominant culture, tradition, religion and perceptions, on the other hand, demonstrate a firm correlation of these variables with the political presence of women. However, if we take into consideration the fact that the researched countries have a short period of democratic development and existing stereotypes regarding women in society, it can be concluded that even positive strategies that have a crucial influence on the improvement of political presence in all three case studies have certain limitations. The Balkans must be viewed from a global comparative perspective in order to understand the structural patterns of discriminating women. The basic “role model” (Pajvančić and Baćanović 2010) of the Western countries, which was supposed to represent an impetus, especially in the process of raising awareness and overcoming the problem of the low level of political presence, has proven to be unsuccessful due to the inconsistent political platform of the political actors in general in almost all countries in the Western Balkans.

The results showed marginalisation and the exclusion of women from the main political developments despite the existence of institutional changes and especially after the countries entered the stabilisation and association process of integration with the EU. Two very important aspects in the process of improving these conditions are the implementation of laws and the effectiveness of mechanisms for achieving gender balance in the decision-making process. We also need to mentioned the important role of NGOs as social actors in raising people’s awareness, which, with the help of the state and international actors, determine the methods of informing the public regarding women’s rights, conditions, analyses and also the support mechanisms for evaluation and implementation of gender policies. Generally, it can be concluded that the efforts to raise people’s awareness are necessary in order to incorporate equal opportunities in all spheres of social life, which will lead to an increase in the political presence of women. The EU directives are dictated from the top and often do not take into account the specific context of individual policies, which could cause problems in post-communist environments, such as the case studies, because it seems that even as these policies are becoming present, the links between them are still weak (Jalušić and Antić Gaber 2001). Changes have to take part at all levels of social life, starting from the traditional beliefs about the role of women in family, through the creation of special programmes in the educational system, which will result in a decrease in gender stereotyping, economic independence and greater employment of women. These processes of raising awareness must be focused not only on the man perceptions, but moreover on women. This constatation comes also from the recommendations of the Committee for eliminating discrimination within the UN, which point to the empowering work of the Equal Opportunities Sector within the Ministry of Labour and Social Policy in cooperation with the non-governmental sector, through educational trainings and campaigns for raising the awareness regarding gender equality.
Lessons Learned for the European Union

Figure 7: Synthetic comparative view of the positive/negative impact of particular variables

**Institutional factors**
- **Electoral system**
  - Majority
  - Proportional

**Political parties**
- party leaders do not provide strong support for female candidates (MK 3; RS 2; HR 2)
- parties as "gatekeepers"
- key role of political parties due to their party power in the selection of candidates
- The case of RS party influence on the unblocked voting lists regarding the selection of candidates who will receive seats in the parliament after the elections
- influence – NEGATIVE
- pragmatic aspect of looking at women’s political presence

**Quotas electoral/voluntary**
- 2002, influence – POSITIVE increase in the percentage of elected women from 8% to 18%
- obligatory role of sanctions YES

**Socio-economic factors**
- generally NEGATIVE role of GDP regarding the position of women in society, employment,
- greater participation of women in the inactive population
- gender divided professions
- greater unemployment of women than men

**Cultural factors**
- culture and value matrix, the shape of traditional values
- interaction between stereotypes as attitudes and division of gender roles
- detection of party stereotypes in the nomination and evaluation of candidates (RS 2; CRO 2; MK 3)
- gender stereotyping of candidates – women; party stereotyping
- stereotypes as obstacles for the political presence of women
- influence – NEGATIVE

**External factors** – CEDAW
- influence POSITIVE

**EU**
- Influence POSITIVE ESPECIALLY POSITIVE

*Regarding the change in quotas there is still no visible influence due to the prolonged period of adaptation in three successive elections (case of Croatia).
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Lessons Learned for the European Union


III. Diversity Management in the Post-conflict Societies


III. Diversity Management in the Post-conflict Societies


Lessons Learned for the European Union


III. Diversity Management in the Post-conflict Societies


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IV. MANAGING ECONOMIC NETWORKS
DO WE NEED REGIONAL INNOVATION COOPERATION OF THE WESTERN BALKAN COUNTRIES?

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Abstract

Due to the decline of the traditional labour-intensive manufacturing as a driver of growth in the globalised economy, the Western Balkan countries’ (WBCs) competitiveness and integration with the EU are not sustainable in the long-run without increasing their abilities for absorption and creation of new technologies. This raises the question of how to improve research and innovation capabilities and competitiveness of WBCs. While some consider that these capacities can be improved through the common programmes for the regional innovation cooperation, others believe that such a top-down policy for encouraging regional cooperation is not only unnecessary but can even be harmful. In order to provide additional inputs for pros and cons regarding regional innovation cooperation, this paper provides a brief comparison of the selected aspects of the innovation systems of WBCs and the factors that are perceived as important for better regional innovation cooperation and cooperation between science and industry. The paper also discusses the barriers for WBCs’ participation in the EU’s Framework Programmes (FPs) and some common path-dependent impediments to innovation and technological development. The provided data and inputs are based on the results of the WBC-INCO.NET project.

Keywords

Comparison, Horizon 2020, innovation capacities, innovation systems, path-dependent processes, regional cooperation, Western Balkan countries (WBCs)
INTRODUCTION

In October 2013, in Zagreb, the ministers of science from Western Balkan Countries (WBCs\textsuperscript{112}) adopted the Western Balkans Regional Research and Development Strategy for Innovation (WISE, hereinafter the Strategy) for the period 2014–2020 (World Bank 2013a). The Strategy is the result of the Joint Statement issued at the Ministerial Conference in Sarajevo in April 2009. In 2011, the European Commission committed funds to a two-year project for the development of a regional strategy on research and innovation in WBCs, which was carried out by the World Bank and supported by the Regional Cooperation Council.

The Strategy aims to sustain economic growth, job creation and economic competitiveness of the Balkans by strengthening their research and innovation capacity through the interconnection of research institutes, pooling common resources for research and innovation activities, the training of scientists, technology transfer, start-up companies, knowledge transfer, etc. The Strategy proposes five main activities for regional cooperation: the Research Excellence Fund, the Network of Excellence Programme, the Technology Transfer Programme and the Early-Stage Start-Up Programme. The total funds envisaged for the Strategy amount to 200 million euros.

The Strategy has received conflicting reactions from researchers and the broader public. While some think that the concentration of research resources through common funds for innovation and research cooperation will strengthen the international competitiveness of WBCs and increase their participation in European projects, in particular Horizon 2020, others estimate that such an initiative is nothing more than a waste of money and, in essence, harmful for WBCs. They simply believe that “the blind cannot lead the blind”, in other words, WBCs cannot learn much from one another. Instead, WBCs need cooperation with more advanced countries for the transfer of knowledge and innovation, which implies Horizon 2020 as the first option for international cooperation of WBCs.

However, WBCs’ capabilities for participation in Horizon 2020 are rather modest. The data on FP7 Applicants and Requested EC Financial Contribution extracted from eCORDA reveals that all WBCs together were able to pull only a little more money for research from the EU funds than one of the EU member states alone (e.g. 1.1 billion euros for Austria vs. 1.5 billion euros for all WBCs, see Table 1); Austria is taken as a representative of technologically and scientifically advanced country with a long tradition in participation in the EU research programmes. However, Table 1 also reveals that there are excellent research groups in each WBC, which are competitive at the European level and are integrated into the international research community.

\textsuperscript{112} WBCs include Albania, Serbia, FYR Macedonia, Bosnia and Herzegovina (BiH), Montenegro and Kosovo. Kosovo is included in line with UNSCR 1244 and the ICJ Opinion on the Kosovo Declaration of Independence. Croatia was a member of this geopolitical group until 1 July 2013, when it became an EU member. It is included in the analyses presented in this paper.
IV. Managing Economic Networks

Table 1: FP7 Applications and funds for WBCs and Austria, 1 January 2007 – 21 February 2014

<table>
<thead>
<tr>
<th>Country</th>
<th>No. of applicants</th>
<th>No. of applicants per 1000 population</th>
<th>No. of applicants in retained proposals</th>
<th>% of successful applicants</th>
<th>EC financial contribution for retained proposals (€)</th>
<th>% of EC approved funds</th>
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<tr>
<td>Montenegro</td>
<td>196</td>
<td>0.32</td>
<td>47</td>
<td>23.98</td>
<td>3.4 m</td>
<td>11.36</td>
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<tr>
<td>Macedonia, FYR</td>
<td>602</td>
<td>0.28</td>
<td>96</td>
<td>15.96</td>
<td>13.5 m</td>
<td>9.26</td>
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<tr>
<td>Croatia</td>
<td>2290</td>
<td>0.52</td>
<td>388</td>
<td>16.94</td>
<td>74 m</td>
<td>11.15</td>
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<tr>
<td>Bosnia and Herzegovina</td>
<td>367</td>
<td>0.09</td>
<td>45</td>
<td>12.26</td>
<td>3.2 m</td>
<td>5.22</td>
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<tr>
<td>Albania</td>
<td>284</td>
<td>0.08</td>
<td>41</td>
<td>14.44</td>
<td>2.3 m</td>
<td>7.98</td>
</tr>
<tr>
<td>Serbia</td>
<td>2084</td>
<td>0.28</td>
<td>317</td>
<td>15.21</td>
<td>54 m</td>
<td>8.38</td>
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<tr>
<td>TOTAL WBC</td>
<td>5823</td>
<td></td>
<td></td>
<td></td>
<td>1.5 b</td>
<td></td>
</tr>
<tr>
<td>Austria</td>
<td>15014</td>
<td>1.78</td>
<td>3,346</td>
<td>20.95</td>
<td>1.1 b</td>
<td>20.95</td>
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</table>

Source: eCORDA (data extracted on 5 March 2014).

This finding underlines some basic dilemmas about the participation of WBCs in Horizon 2020, such as: Do we really believe that countries which invest between 0.15 % (Albania) and 0.97 % (Serbia) of GDP in research and development (R&D) could participate in FPs on equal footing with the member states? How can this participation be improved and intensified? How to upgrade the innovation capacities of WBCs? Is the regional cooperation between WBCs a natural step towards upgrading their research and innovation capacities with the aim of improving international competitiveness? Regional cooperation is, therefore, an open issue. The political decision imposed “from above” and formulated in the Strategy could be seriously slowed down by various obstacles “from below”; in the field, cooperation should be implemented.

In order to provide some additional inputs for discussing the benefits and drawbacks of the intended regional innovation cooperation, the paper first provides some brief insights into the participation of WBCs in the EU FPs and some brief comparative analyses of the selected aspects of the innovation systems of WBCs. This is followed by a discussion about some common path-dependent impediments to innovation and technological development. The last section provides an outline of the factors which are perceived as the most important for better regional innovation cooperation and cooperation between science and industry.

The data and analyses given in the paper are based on two extensive studies carried out by the Institute Ivo Pilar, Zagreb within the WBC-INCO.NET project (Švarc et al. 2009, 2011).

113 The project was financed by the European Commission within FP7 in the period 2007–2013. It included 26 partners from 16 countries and was coordinated by the Centre for Social
WHY WBCS NEED TO PARTICIPATE IN HORIZON 2020?

Many WBCs lag behind the rest of the EU not only in excellence in research and technology (World Bank 2013b), but also in living standards measured by the GDP per capita, business competitiveness (WEF 2012) and innovation capacities (IUS 2013).

Despite the scientific and technological lagging of WBCs, their inclusion in European Research Agency (ERA) is nowadays imperative for them, not only because of the globalisation of science and technology but, primarily, because of the way scientific activities are currently organised and governed in Europe. ERA constitutes in itself a “research system” of strategic importance for all EU member states and makes other countries in spatial or socio-economic proximity to take part in the system. The EU’s decisions on research programmes, institutions and funding dictate the dynamic and direction of research and the technological trajectories of all countries in the region, which makes national scientific systems weak if they are not integrated into ERA. Although WBCs have gained the opportunity to become peer partners in European research networks, there is a threat that various obstacles will seriously slow down or jeopardise this process.

The survey-based analyses\(^{114}\) of the participation of WBCs in FPs carried out within the WBC-INCO.NET project (Švarc et al. 2009, 2013) have revealed that the dominant type of international projects of WBCs are projects funded by the EU Framework programmes (64 %) while inter-regional cooperation (bilateral projects with member states) counts for 27 % and intra-regional (bilateral projects with WBCs) makes 9 % of all projects (Table 2). Croatia and Serbia are the most attractive partners in bilateral projects within the region, while Slovenia predominates significantly among member states as regards bilateral projects with WBCs.

The researchers from WBCs lag behind significantly with regards to the researchers from the EU member states in intensity of research cooperation and in research mobility. For example, almost half of the respondents (43 %) have declared no visit abroad in the last ten years. It calls for concerned actions of policymakers at the national and the EU levels regarding the international mobility of researchers from WBCs.

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\(^{114}\) The survey was conducted by an online questionnaire at the beginning of the project, in 2008, and included 7715 researchers. A total of 809 questionnaires were received in which WBCs and member states are equally represented (47 % form WBCs and 53 % from member states). Such a sample enabled also a comparative analysis whose results were recently published.
Table 2: Projects by type of R&D cooperation

<table>
<thead>
<tr>
<th></th>
<th>TOTAL</th>
<th>WBCs</th>
<th>Member states</th>
</tr>
</thead>
<tbody>
<tr>
<td>Projects funded by the FPs</td>
<td>504</td>
<td>178</td>
<td>326</td>
</tr>
<tr>
<td></td>
<td>100%</td>
<td>35%</td>
<td>65%</td>
</tr>
<tr>
<td></td>
<td>71%</td>
<td>64%</td>
<td>76%</td>
</tr>
<tr>
<td>Bilateral projects with WBCs</td>
<td>62</td>
<td>23</td>
<td>39</td>
</tr>
<tr>
<td></td>
<td>100%</td>
<td>37%</td>
<td>63%</td>
</tr>
<tr>
<td></td>
<td>9%</td>
<td>8%</td>
<td>9%</td>
</tr>
<tr>
<td>Bilateral projects with member states</td>
<td>137</td>
<td>75</td>
<td>62</td>
</tr>
<tr>
<td></td>
<td>100%</td>
<td>55%</td>
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<td>20%</td>
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<td>14%</td>
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<tr>
<td>TOTAL</td>
<td>703</td>
<td>276</td>
<td>427</td>
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<tr>
<td></td>
<td>100%</td>
<td>39%</td>
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WBCs are not only poorly equipped with research capacities in terms of human resources, financial means and research tools; their management capabilities are also too weak to administer and manage projects according to the rules and procedures of the European Commission. According to the analysis, project management barriers appear as the most critical part of cooperation in the EU programmes. They stem from the researchers’ inabilities to manage projects in terms of finding appropriate calls, finding research partners/building consortium, accounting and financial rules, understanding the application procedures (technical knowledge on how to submit a project proposal) and co-financial obligations of institutions. These barriers are followed by the bureaucratic barriers of the European Commission (EC), which encompasses different obstacles that stem from *modus operandi* of the European administration, such as payment delays, constant changes in rules and procedures, duration of project evaluation, etc. The essence of the EC bureaucratic barriers is embodied in the statement that “the acceptance rate of project proposals is too small in relation to invested efforts”. This barrier received the highest score among all 58 individual barriers analysed by the survey. It is worth noticing that experienced researchers with more intensive cooperation in the FPs perceived these barriers as more important. As competition has become fierce, it seems that efforts can be spent more wisely by focusing on other funding resources and activities. There is one additional problem which has become visible recently: the most desirable projects for receiving the EU funds are regularly very large consortium projects, which require significant administrative and managing capacities, which are lacking in WBCs.

AN OUTLINE OF THE SIMILARITIES AND DIFFERENCES OF THE INNOVATION SYSTEMS IN WBCS

A comparative analysis of the national innovation systems has revealed that WBCs share many similarities in the research and innovation sector in comparison to more developed countries. However, at the same time, these similarities represent significant differences among WBCs themselves. For example, all WBCs underinvest in R&D, but investments of 0.15 % of GDP in R&D in Albania (ERAWATCH 2013)
compared to 0.75% of GDP for R&D in Croatia can produce as much difficulties for Albania to catch up with Croatia as for Croatia to catch up with a middle-income EU country.

In our report on the comparative analysis, we will discuss the three main components of WBCs’ innovation systems: first, the research sub-system; second, the innovation sub-system; and third, governance of innovation.

It should also be noted that the main findings are certainly limited since a comprehensive comparative analysis of innovation systems of the seven individual countries would require much more human and financial resources, as well as in situ experience, to understand in-depth how the respective research and innovation systems work in practice.

**Research capacities and policies**

Science and research have a marginal role in the economic development of WBCs, which is not only opposed to the goals of the European Strategy 2020 for transition to the knowledge economy, but it also threatens the production capabilities of companies and their absorption capacities. The economic strategy and model of WBCs, together with a strong reliance on capital inflows and external knowledge, de-industrialisation and excessive tertiarisation, have resulted in weak and in some countries, such as Croatia and Macedonia, declining research sectors characterised by low R&D investments, innovation-deficient business sectors, brain drain, as well as limited information and communications technology (ICT) utilisation.

WBCs’ research systems differ significantly in research intensity, manpower, institutional complexity and performance abilities. The most developed systems are established in Croatia and Serbia, which have the highest investment in R&D, above 0.75% of GDP, but they are still significantly lower than the EU average. Although these countries have rather mature research and higher education systems inherited from ex-Yugoslavia, currently the systems require comprehensive reforms in order to achieve satisfactory levels of scientific excellence and involvement of the research sector in national economy.

The institutional set-up for R&D and higher education in the Former Yugoslav Republic (FYR) of Macedonia, Montenegro, and Bosnia and Herzegovina is mostly in place, and so are research policies and strategies, which are focused on increased investments in R&D, research excellence, international mobility, integration into ERA and cooperation between the universities and industry. While these countries are rapidly catching up with Croatia and Serbia, the research systems of Albania and Kosovo are, by contrast, in an infancy phase due to political and economic specificities. For example, according to available data, the government of Kosovo invested in

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2010, for the first time, one million euros for research for public institutions, while the Albanian government undertook a deep reform of the scientific research system in 2006 to harmonise it with the European model.

The most critical part of the research systems in all WBCs is the business research sector, where R&D investments are extremely low, illustrating a lack of interest in R&D and weak technological capacities. Although the Croatian business sector invests in R&D incomparably more than other WBCs, this is far below the investments needed to create a critical mass of researchers and resources for technological accumulation and knowledge-based innovation.

Despite significant differences, WBCs share many common problems in their research sectors, such as lack of manpower, low international and sectoral mobility of researchers, low participation in FPs, obsolete scientific equipment, weak capacities for collaboration between the universities and industry and commercialisation of research results.

**Institutions and policy programmes for fostering innovation**

Policy programmes and the institutional set-up for entrepreneurship and non-R&D based innovation are the most developed part of the innovation systems in all WBCs due to the adoption of the European Charter for Small Enterprises in 2003 (replaced later by the Small Business Act for Europe), which recommended ten key policy areas of action to support SMEs. The implementation of actions was subject to regular monitoring and evaluations resulting in two comprehensive studies of small and medium-sized enterprises (SME) policy index carried out by the OECD. As of 2010, all WBCs have in place basic legal and regulatory frameworks necessary for entrepreneurship and business development. In terms of company registration, for example, almost all WBCs have made significant progress in simplifying registration processes, and reducing the costs and time taken to register new firms. The development of more targeted enterprise support measures – for start-ups, export-oriented firms or those led by women – remains more uneven across WBCs.

The SME Policy Index for 2012, which includes Turkey for the first time (OECD et al. 2012), distinguishes three groups of WBCs in assessing the convergence of SME policy towards the EU good practice. The first group, made up of Bosnia and Herzegovina and Kosovo, has recorded performance below the regional average in most of the policy dimensions. The gap between Bosnia and Herzegovina and the other pre-accession economies has widened since the last assessment. In Kosovo, the development of SMEs is heavily dependent upon donor assistance. A second group, made up of the FYR Macedonia, Montenegro and Albania, has reached a generally

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good level of policy convergence, particularly in the areas of company registration. However, gaps remain in the implementation of targeted polices and support for early-stage companies. The third group includes Croatia, Serbia and Turkey, which are characterised by an advance degree of policy convergence with the EU. Croatia was already the best performer in the two previous assessments. However its progress since the last assessment has been, at best, incremental. Serbia undertook a serious restructuring of SME policy and made a significant progress in supporting SMEs, especially innovation-based companies. Turkey, included in the assessment for the first time, developed sound and well-structured SME policy supported by well-established institutions covering all dimension of SME development.

These findings are supported by the mapping of WBCs’ innovation infrastructures carried out by the Centre for social innovation (ZSI 2011), which revealed that innovation infrastructures in WBCs mainly include standard business- and innovation-supporting institutions like business incubators, entrepreneurial zones, clusters, technology and innovation centres, etc. Their operability and effectiveness varies significantly across countries, following the pattern already outlined in the SME policy indexes.

Although the INCO.NET study does not provide an estimate of the number of different innovation institutions, there are certainly several hundreds of them in WBCs. Only in Croatia there are more than 200 different institutional entities to support business innovation. The business incubators and clusters are the most widespread innovation facilities in WBCs since they can be easily set-up, as well as closed down, after the assistance from donors is over. The great difficulty is to assess which of these clusters are really operational and which exist only formally.

Innovation policies for R&D-driven innovation usually involve specialised institutions and programmes for strengthening the interaction between different innovation sectors and they involve tailored-made programmes for cooperation between science and industry and for the commercialisation of R&D results. Such supporting programmes for R&D-based innovation and science-industry interface institutions like technology transfer centres, technology parks, science parks, etc. are the weakest component of the innovation systems in WBCs.

Only Croatia has thus far devised a complex set of such institutions and programmes, due to the comprehensive innovation policy introduced at the beginning of 2001. It resulted in several funding institutions (e.g. Business Innovation Agency – BICRO, Unity Through Knowledge Fund), various programmes for cooperation between the universities and industry (RAZUM, TehCro, IRCro, KonCro, PoC, TEST, etc.) as well as programmes funded by the European Union and the World Bank (SIIF, STP) focused on transfer and commercialisation of university research. However this institutional set-up as well as the funding resources are seriously reduced due to the long and persistent economic crisis which hit Croatia in 2008. The number of agencies is reduced while many supporting programmes have been terminated. The availability of the EU Structural funds in 2013 has made a shift in Croatia from science and technology policy towards entrepreneurship policy, support for SME and regional development.
Although Serbia has not developed such a comprehensive system for supporting research-based innovations as Croatia, it has created some highly successful programmes, such as the competition for the Best Technological Innovation in Serbia, which is focused on the creation of university spin-offs at the University of Novi Sad. It has created more than 60 spin-off companies within last the five or six years. The FYR Macedonia made significant progress in 2012 when the Innovation Strategy for the period 2012–2020 was adopted, as well as some other initiatives like the legislation for university spin-off companies, etc. In BiH, such programmes are mostly in a pilot phase, while in Albania, Kosovo and Montenegro they are at a very early stage of policy elaboration.

The most common type of intermediary institutions is the technology park (in some places named science or industrial park). Croatia and Serbia have around five operating technology and science parks each, followed by the FYR Macedonia with three, BiH with two, and Kosovo with one (Industrial park in Drens). Albania and Montenegro have no technology/science parks at the moment. However, the first initiatives for a technology park in Montenegro were launched in 2012. Technology transfer centres are mostly developed in Croatia, followed by Serbia and the FYR Macedonia.

The development of the wider institutional context needed to support R&D-driven innovation such as the financial tools for investing in research commercialisation (e.g. venture capital), intellectual property regulations in the academia, or technology foresight exercises are poorly developed in WBCs. Only Croatia and Serbia established advisory services for intellectual property rights achieved by universities. According to the available data, only Croatia and Montenegro have launched fiscal (tax) incentives for fostering research in companies. Only Croatia had launched a programme on venture capital (VenCro), but the initiative was stopped due to the lack of interest of potential stakeholders. However, the Croatian network of business angels and private investors interested in investing in innovative companies (CRANE) is rather active. Technology foresight exercises are not carried out in any of WBCs.

**Innovation governance**

The innovation governance in WBCs lacks a co-evolutionary process between technologies, institutions and businesses and thus requires high policy-level interventions to foster entrepreneurship and innovation. WBCs’ innovation systems are highly centralised, “top-down” systems coordinated by the line ministries, primarily the ministries of science/education in the domain of R&D-based innovation and the ministries of economy/entrepreneurship for supporting business infrastructure and innovation. This strong hierarchical governance model is typical for less developed countries and technological followers that suffer from a lack of market forces and established relationships between innovation stakeholders for driving technological development by the “invisible hand” of business interests.
and mutual co-evolution. Besides, there is a strong “division of labour” within the line ministries which points to the lack of cooperation and synergy between the government bodies.

The main difficulties with strategic documents in many WBCs are related to the large number of strategic documents in different areas with a low level of implementation and to the “Europeanisation” of innovation and research policies, which does not have much in common with solving the problems of national or local economy.

Although all WBCs, except Kosovo, have the strategic documents related to research policies in place, they are not coordinated with innovation policies and they do not have much influence on the economic strategy in general. The most ambitious countries in the utilisation of knowledge for economic development are Croatia, which has been running programmes for cooperation between the universities and industry for about a decade, and Serbia, which perceives academic institutions as a primary source of new knowledge production and innovation.

On the other hand, many strategic documents, at least in Croatia, present only a copy of the European schemes and approaches, while lacking a down-to-earth analysis of national competences, national innovation needs and corresponding strategies. It is symptomatic that industrial policy is very poorly represented in the strategic plans of WBCs, although it should have an important role in strategic development concerning the backwardness in technological accumulation of the companies and a modest role as regards research for economy. During the transition period, industrial policy in WBCs has focused on the financial rehabilitation and privatisation of traditional industries that have lost their technological dynamism and have dragged the entire economies into structural crisis and unemployment (e.g. the shipbuilding sector in Croatia). As the available data reveals, only the FYR Macedonia, Croatia and Serbia have adopted some sort of industrial policies, but without action plans for their implementation.

PATH-DEPENDENT IMPEDIMENTS TO INNOVATION AND TECHNOLOGICAL DEVELOPMENT

WBCs share many socio-economic commonalities arising from their similar socio-economic and political heritage and, most importantly, from the similar pattern of the twenty years of transition to the market economy. Among the most important characteristics of the transition process, which largely limit the current innovation capacities and the need to be addressed within the future innovation development and possibly within the regional innovation cooperation, are the following:

- Economic strategy: Pursuing the neoliberal doctrine has brought some necessary deregulations and liberalisations, but also political voluntarism and non-transparent privatisations. It has created clientele companies which have replaced the expected innovation-based competition with political protection.
• Economic growth model: The economic growth model of the last two decades is considered essentially wrong, since it was based on defensive inter-sectoral restructuring (dismissal of workers or early retirement), domestic market consumption, low-cost foreign direct investments (FDI), which led to high unemployment rates, large share of informal economies, public debt and strong reliance on foreign/external knowledge.

• Deviant processes of privatisation: Deviant processes of privatisation, following the “empty shell model”, mean sucking the substance out of companies (Županov 2001), and they have led to de-industrialisation and made business development and innovation marginal to the economy. Along with the disaggregation of WBCs’ common market came the collapse of large corporations, a destruction of 50 years of technological accumulation and a breakdown of in-house research institutes that used to be a natural partner for universities in developing new technologies.

• Loss of the production base: The loss of the production base shifted the structure of the economy in WBCs from manufacturing to service domination. In all WBCs, the service sector’s share in the total gross value added (GVA) as reported by Eurostat for 2013 was by far the largest, and ranged from 56% in Kosovo to 70% in Montenegro. The surge in the service sector in recent years compensated for the decline in the agriculture, forestry and fishing sectors, but also in the industry sector. Tertiarisation of the economy (mainly in low-tech personal services), which drives economic growth in countries like Croatia, cannot compensate for the lost competences (Radošević 2013). Services demonstrate a lower degree of innovation and knowledge accumulation, lack the synergy between economy, technology and knowledge base, decreasing, therefore, the need for R&D and education in technical and natural disciplines.

• Global restructuring of the economy: This has further squeezed WBCs’ chances in the international competition, since international markets are saturated with low-tech products from low-wage countries, which previously made the core of WBCs’ exports (e.g. apparel, food, automotive industry).

• WBCs lack entrepreneurship capital, i.e. the institutions, culture, and historical context, which are conducive to the creation of new firms. These factors involve a number of aspects, such as social acceptance of entrepreneurial behaviour, individual abilities for risk-taking and creating new firms, bankers and venture capital agents who are willing to share the risks of new ventures, etc.

• Fundamental economic and social stability: The so-called fundamentals (OECD 2001) which have a critical role in building the environment conducive to innovation, are not in place in WBCs. They include factors such as stable macroeconomics, fiscal discipline, low inflation rates, regular payments, but also socio-cultural values that prefer competition and individualism and eliminate corruption, political voluntarism and protectionism.

In short, WBCs share some common path-dependent factors that have impeded innovation development and deterred innovation capacities. This is, first of all, the
Lessons Learned for the European Union

An economic model based on financial liberalisation and de-industrialisation which places a disproportionate emphasis on the service sector, while neglecting industrial production and its important spill-over effects – knowledge generation and technology sophistication. It strongly diminishes the role of universities in socio-economic development and it reduces the chances for proper functioning of the Triple Helix model.

THE ANALYSED FACTORS FOR BETTER REGIONAL INNOVATION COOPERATION AND SCIENCE-INDUSTRY COOPERATION

This analysis is based on online questionnaires targeted at entrepreneurs and researchers and conducted within the WBC-INCO.NET project. Only some results will be presented here while the detailed analysis is provided in the project report (Švarc et al. 2011):

Companies estimate that the most important factors for their innovation capacity are the employees of their own enterprise or enterprise group and the professional and industrial associations. The third place is shared between the conferences/trade fairs/exhibitions and the universities/colleges. The least important are the venture capital firms and the companies from the Western Balkan region.

As far as the outcomes of regional cooperation are concerned, the entrepreneurs perceive the WB region as the opportunity for gaining new markets and for upgrading the efficiency of their companies by lowering the cost of businesses. They estimate that they would benefit the most from three equally important factors: first, access to new markets; second, the availability of possible regional financial initiatives (e.g. Regional Investments Bank, Western Balkan Investments Fund); and third, the lower costs of doing business (e.g. the cost of real estate, utilities, lower labour costs, etc.).

The most important factors which need improvements for better regional innovation cooperation are classified as “State and local administration” and the “Fiscal/financial obstacles” which include: first, a common measure against corruption at the national level; second, removing the administrative burdens for regional cooperation; and third, more subsidies and programmes for innovation at the regional level (Figure 1).

Cooperation between science and industry is also recognised as an important factor for strengthening the innovation capacities and regional cooperation. Three factors for better cooperation between science and industry are recognised as particularly important: first, more funding for collaborative research between the universities and businesses; second, more funding for knowledge/technology transfer activities and expert consultations; and third, greater understanding by researchers of the needs of business companies and industry. The least important is the “Introduction of regular business/technical advising services at universities for the needs of businesses”. It might indicate that companies already have experienced such advising activities without an impact on their businesses.
**Figure 1:** The most important factors for regional cooperation that need improvements

*Scale: 1 – no importance; 2 – little importance; 3 – medium importance; 4 – high importance*

**Figure 2:** Importance of regional innovation actions for improving regional innovation cooperation

<table>
<thead>
<tr>
<th>Action</th>
<th>Companies</th>
<th>Researchers - today</th>
<th>Researchers in 2030</th>
</tr>
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<tbody>
<tr>
<td>Establishing regional venture capital fund</td>
<td>1</td>
<td>6</td>
<td>11</td>
</tr>
<tr>
<td>Creating a regional financing programme for innovation</td>
<td>2</td>
<td>4</td>
<td>6</td>
</tr>
<tr>
<td>Developing regional initiatives for large infrastructural projects</td>
<td>3</td>
<td>8</td>
<td>3</td>
</tr>
<tr>
<td>Common large scale technology programmes</td>
<td>4</td>
<td>12</td>
<td>9</td>
</tr>
<tr>
<td>Joint regional approach towards international funding institutions (WB, EU)</td>
<td>5</td>
<td>10</td>
<td>7</td>
</tr>
<tr>
<td>Harmonisation and opening of the government’s procurements markets</td>
<td>6</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Strengthening regional innovation clusters in selected sectors</td>
<td>7</td>
<td>11</td>
<td>12</td>
</tr>
<tr>
<td>Common apprentice (trainee) programmes of young experts</td>
<td>8</td>
<td>7</td>
<td>10</td>
</tr>
<tr>
<td>Common educational programmes for technical skills, innovation management,</td>
<td>9</td>
<td>9</td>
<td>8</td>
</tr>
<tr>
<td>Common programmes for mobility of personnel in the region between</td>
<td>10</td>
<td>5</td>
<td>1</td>
</tr>
<tr>
<td>Consistent legal framework aimed at facilitating foreign direct investments in the region</td>
<td>10</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Opening and liberalisation of the service market within the WB region</td>
<td>12</td>
<td>2</td>
<td>4</td>
</tr>
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</table>

When comparing the answers given by companies and those given by researchers on the most important actions for improving regional innovation cooperation,
they seem to differ substantially (Figure 2). The three actions least important for companies are among the four most important for researchers. They include, first, common programmes for mobility of personnel in the region between the universities and business to establish cooperation between science and industry; second, consistent legal framework aimed at facilitating foreign direct investments in the WB region; and third, progressive liberalisation and mutual opening of the service market within the WB region. By contrast, companies prefer funding and financial support for improving regional innovation cooperation such as the regional venture capital fund. However, both parties recognise the need for large infrastructural programmes as the driver of regional innovation cooperation (ranked third).

CONCLUSIONS

It is rather difficult to estimate performance and efficiency of WBCs’ innovation systems due to their current instability and fluctuation, and lack of transparent and systematic data. Based on their experience in establishing institutions and supporting programmes for innovation, the following characteristics of WBCs can be identified:

- Kosovo: lack of innovation structure, strategy and programmes for both research-based and non-research based innovation;
- Albania and BiH: beginners in establishing supporting measures, policy elaboration and definition of strategy for non-research based innovation; intermediary institutions in the phase of infancy;
- Montenegro and the FYR Macedonia: familiar with establishing and implementing innovation infrastructure for SMEs and entrepreneurship (non-research based innovation);
- Serbia: complex innovation infrastructure for SMEs/entrepreneurship, while programmes and intermediary institutions for cooperation between science and industry are developed moderately;
- Croatia: complex innovation infrastructure for SMEs/entrepreneurship and developed policy mix for cooperation between science and industry, yet, with modest influence on economic development.

WBCs made significant progress in innovation policy over the last ten years in terms of infrastructures and supporting programmes for SMEs and entrepreneurship, while supporting programmes and institutions for research based innovation are rather modest. WBCs have not, except for Croatia and Serbia, initiated or developed any specific policy programmes and supporting measures aimed at supporting inter-sectoral knowledge flows and interactivity, such as programmes for cooperation between science and industry, research commercialisation, academic spin-offs, intellectual property rights in academic community, etc. These programmes have also been significantly reduced in Croatia, in 2013, due to persistent economic crises, and they shifted towards entrepreneurship and regional development. The most common measure for supporting the links between science and industry in WBCs is limited to
establishing intermediary institutions like technology parks and technology transfer centres, but with no evidence about their achievements.

WBCs share many similarities that provide a platform for mutual cooperation and possible development of the regional innovation system. One of the most substantial similarities is the nature of their competitive advantages which refers to non-research based innovation and technology efforts that include the absorption of foreign technologies and the mastery of production capability. Science and research are the residue of their present economic models and not a vital element of development. They call for policy measures and instruments for strengthening the innovation capacities at national and regional levels and the productive use of research and education. The focusing of research and innovation capacities, which are currently scattered over a number of technologically weak countries, through regional cooperation seems a useful mechanism. Regional innovation cooperation described in the Strategy (World Bank 2013a) appears in this context as a valuable system to enhance innovation and competitiveness. The strengthening of the innovation capabilities through regional cooperation appears as a natural step towards international competitiveness. The real problem in the implementation of the Strategy is the source of funding. The national sources are so flawed that the co-funding of joint programmes is excluded. Many wonder why a poor country would co-fund development in another poor country, especially because it is difficult to predict the results of cooperation.

The survey-based studies on regional innovation needs reveals that entrepreneurs and researchers have recognised two factors as most important for fostering regional cooperation:

- removing the state and local administrative burdens and procedures for regional cooperation including the measures against corruption; and
- improvements in cooperation between science and industry, which include, among other things, the strengthening of the interest of both companies and universities in mutual cooperation; more intensive cooperation between science and industry assumes more subsidies for technology transfer programmes at the national and regional levels.

It is worth noticing that entrepreneurs, unlike researchers, think that the biggest obstacle to cooperation between science and industry is the lack of researchers’ understanding of the needs of business. This points to the communication barriers between entrepreneurs and scientists, and the lack of understanding of each other needs. It demands establishing different forms of dialogue and communication channels between these two spheres.

The concrete joint actions to be taken for better regional innovation cooperation perceived by entrepreneurs include establishing a regional venture capital fund and a regional financing programme for innovation. In contrast, researchers perceive mobility, the legal framework for fostering direct foreign investments, and the liberalisation of service market (probably for R&D services) as the most important.

Finally, both parties have recognised the lack of large infrastructural projects for fostering regional innovation cooperation. It calls for identifying and creating
infrastructural projects (like ICT, transportations, energy resources, clean technologies, etc.), which are sufficiently large and capital intensive to involve several interested countries and stakeholders in the region.

The argument against cooperation is also a significant difference in the overall development and related innovation capacities. For example, there is an almost fourfold difference in *per capita* income between the richest (Croatia with €10,246 GDP p/c) and the poorest (Kosovo with €2,650 GDP p/c) country in the region,\(^{117}\) as well as in performance of the national innovation systems (NIS) and governance abilities to advance innovation competences. The different levels of development of NIS in WBCs demand different measures and policy mix to be put in place. For example, in Kosovo UN Res.1244 important measures should be directed towards setting up a research system, while in Serbia and Croatia the reforms of research system are needed in order to achieve scientific excellence and involvement of the research sector in the national economy. Besides, WBCs share a range of path-dependent processes such as the wrong economic model, non-transparent privatisation, economic voluntarism, connections between political and economic elites, de-industrialisation, etc. The overcoming of these deficiencies requires socio-cultural and political conditions that are different from those that dominate the Western Balkans.

In the long run, WBCs’ competitiveness is not sustainable without increasing their abilities for absorption and creation of new technologies, including application of radical innovation and disruptive technologies. This is due to the restructuring of global economy, which has shifted the traditional labour-intensive manufacturing typical for WBCs to the Far East, making the key industries of WBCs uncompetitive in world markets (OECD 2008).

Experiences of some WBCs reveal that the existing measures to stimulate economic growth, based solely on encouraging small entrepreneurship and non-R&D innovation, have not proven to be successful. For example, Croatia and Serbia used to have rather complex industrial production and advanced scientific systems before the 1990s. Large industries that collapsed and the industrial research sector that was devastated in these two countries during the transition to the market economy have not been replaced by new SMEs established after the 1990s. None of these firms have produced any important innovation or cutting-edge technology with the expected influence on changing the obsolete economic structure and solving unemployment. The policy of fostering economic growth by revitalising SMEs through clusters, business innovation, technology modernisation and entrepreneurship without scientific research and development has, at least thus far, turned out to be a relatively unsuccessful development option.

Limited innovation capabilities on the one hand, and the need for global competitiveness on the other hand, lead to the conclusion that WBCs have to act on two fronts. The first includes policy measures to improve the production capacities and to

\(^{117}\) Kosovo Agency for Statistics is available at: http://esk.rks-gov.net/eng/.
strenthen the entrepreneurship. The second front refers to improving research and educational capacities to increase the economic impact of R&D.

REFERENCES

THE POSITIONING OF CHINESE AUTOMOTIVE INDUSTRY IN THE EU AND ITS INFLUENCE ON SINO-EUROPEAN RELATIONS

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Abstract

It is of the utmost importance to accentuate the question of Inward Foreign Direct Investments in the European automotive market, given the fact that the automotive industry is considered a vital industry for the EU, as well as given its overall contribution to the European economy (6.9% of the EU’s GDP) (Qian and Xu 1993); it is also relevant to trace the patterns and trends of this industry that may affect the concept of the EU’s investment policy towards China. As a fast-forward global force, the People’s Republic of China (PRC) stands up to all economic global players with its pragmatic strategy and export-oriented policy. However, with its new “go global” policy, it tries to position itself outside its own boundaries. This is a result, first and foremost, of domestic priorities for sustainable development, which have made this country’s further expansion a key player in FDI. The behaviours and attitudes that China presents today toward its strategic assets (technology, know-how, brands) show unlimited expansion. However, some states are sceptical towards this encroachment of China upon the EU, while others are welcoming it with the thought that the EU can only profit from these investments (especially the struggling countries in the Eurozone see this as the answer to their problems). The policy that China conducts in the pragmatic instalment in the EU market has the prospect of expanding and installing itself with the primary goal of its own proper economic expansion and modernisation in key industrial areas, of which one of the most important is the automotive industry. This policy is supported by the Chinese government and stimulated through several mechanisms.

Keywords

Automotive industry, China, EU market, FDI, internationalisation, investment policy, strategic assets
CHINESE AUTOMOTIVE OUTWARD FDI IN THE EU

Chinese expansion in the European market is an ongoing process, currently in its initial phase. Taking Bulgaria as an example, for this is the country with the lowest GDP in the EU, the strategy initiated by the Chinese economy to install itself in the European single market establishes and reveals China's ambitions and the geopolitical strategy of the future Chinese automotive encroachment. The European single market is especially interesting for Chinese FDI because of its scant regulations regarding FDI. This is the case especially with the new European member, due to their lower GDP in comparison with other, more developed EU members. Bulgaria was the first EU country to attract Greenfield investment in the automotive production industry, since it is in great need of FDI to boost its economy. The idea behind the investment is clear: China is learning to “manipulate” the EU market imperfections, for Bulgaria is the poorest member of the EU, it offers low production costs, cheap labour and a flat tax rate of 10 percent (the lowest in the EU). As cars assembled in the EU, Chinese cars are exempt from paying custom levies and free to move across the European market (Dzhambazova 2012).

In this context, a conflict of interest between member states – on the one hand, the giants of the European automotive industry and, on the other hand, the countries with lower GDP in need of investment to maximise the direct economic rent from inward investment and affordable vehicle prices – is increasing unnoticeably.

OVERVIEW OF CASES

So far, three Chinese automotive manufacturing companies have made investments in the EU: Great Wall Motors Company Limited, which established itself in Bulgaria, Geely, which purchased the Swedish car maker Volvo, and SAIC Motor UK Technical Centre (Qian and Xu 1993).

The most interesting case focuses on Great Wall, which in 2012 opened its first European factory in Lovech, northern Bulgaria, in a joint venture with the local company Litex Motor Corp. The factory with the capacity of 50,000 units builds the Steed pickup from kits supplied from China. So far, this company has sold its products in two markets in Western Europe: Italy and the UK (Bal 2013).

The acquisition of Volvo Cars by Geely is the second case of interest. In 2010, the investment of 1.5 billion dollars made Sweden a top destination for Chinese OFDI. For now, Chinese influence on Volvo does not seem significant. However, sales increased by 11.2 % in 2010 and by 20.3 % in 2011. This investment may be perceived as technology-seeking, even though the contract stipulates that Geely will not use Volvo’s technology. Even if it is one of the fastest developing companies in the industry, the image on the market is one of poor quality and lack of protection. It has been reported that the acquisition of Volvo has improved Geely’s reputation, since Volvo is one of the leaders in car safety, quality and care for environment.
Lastly, all of the abovementioned companies harbour ambitions to penetrate international markets either through direct export or by acquisition, as SAIC has done with MG Rover of the UK. SAIC Motor Corporation Limited (informally SAIC, formerly Shanghai Automotive Industry Corporation) is a Chinese state-owned automotive manufacturing company with multinational operations and with headquarters in Shanghai. SAIC operates a large research and development centre in the United Kingdom, the SAIC Motor UK Technical Centre, which employed 275 engineers and 25 designers in 2012 (SAIC Motor UK Technical Centre 2014). The UK Technical Centre is the principal worldwide site for the development of MG cars and Roewe products.

**CHINESE “GO GLOBAL” POLICY IN CAR MAKING**

Since the late 1990s, the Chinese government has encouraged the growth of newer small firms such as BYD, Great Wall, Geely, Chery, etc. Even though the largest automotive producers in China are joint ventures with European or American companies, these firms have started from the low end of the market and have slowly expanded their way into the upper market. All of them are ambitious to penetrate international markets either by exporting or by FDI.

The initial Chinese strategy for technology acquisition was the imposition of joint ventures with local Chinese firms on inward FDI (IFDI) (Thun 2004). Over the years, changes in the technology policy were initiated via the National Knowledge Programmes with the purpose of absorbing foreign technology. This was supported by national mega projects and by strengthening indigenous innovation, especially for the strategic emerging industries and high-tech enterprises. The goal was to acquire state-of-the-art technologies, to “leapfrog” several stages of development, to upgrade managerial and commercial experience in international marketing and advertising, as well as to achieve brand recognition.

The current trends and policies of China support the development and expansion of the massive automobile industry with the so-called “go global” policy of the Chinese government. The Chinese government hopes to consolidate more than 170 auto manufacturers in order to form three to five globally competitive car producers (Huang 2014). Nevertheless, the quality of Chinese automobiles is in need of great technological improvement. The “go global” policy is partially a result of the need for sustainable development through market seeking, but it is also the motivation of geo-political policies aimed at developing an domestic Chinese industry rather than one occupied by foreign multinationals. Moreover, the motivation to move up along the supply chain towards highvalue-added production makes innovation and industrial upgrading increasingly a priority. The 12th Five-Year Plan of the Chinese government lists seven priority industries including clean energy vehicles (KPMG 2011). As a result, the ownership of strategic assets is of paramount importance to Chinese manufacturing industries (Child and Rodrigues 2005).
THE EU INWARD INVESTMENT ISSUES

The great importance of Chinese investments is visible in the increasing number of bilateral investment treaties (BITs), regulations and restrictive policies in the investment measures in the last few years. In this case, the EU open-door investment policy is focused on providing investors with market access and legal certainty of a stable and properly regulated environment in which they can conduct their business (European Commission 2014a). Another change that could lead to an increase of Chinese investment over the coming years is provided by the Treaty of Lisbon, where the authority for FDI policy resides at the EU level (Woolcock 2010). This means that a united approach would be essential when dealing with China and this will be implemented with future and the currently negotiated bilateral investment treaties. The key policy change for this BIT is to provide the right balance of regulation and openness, which will replace all existing bilateral agreements between the EU member states and China.

At the same time, the European Parliament resolution on the EU-China negotiations for a bilateral agreement (European Commission 2014b) stresses the need to exclude certain strategic sectors from Chinese IFDI. This same resolution, which points out that China, having acceded to the WTO in 2001, should place more emphasis on liberalising its trade and opening its market in order to ensure a more level playing field, underlines the fact that the future development of the EU-China investment agreement must be based on mutual trust, the spirit of reciprocity and full compliance with WTO obligations, and it deplores the high levels of public subsidisation of certain sectors with the potential for growth (Ibid.).

This shows the exigency that urges the EU towards a two-way liberalisation of the markets, which could lead towards further investments by both sides. However, in order to protect itself, the European Parliament stresses that investment agreements concluded by the EU must respect the capacity for public intervention in particular cases.

POTENTIAL CONFLICT?

A fragmented EU investment policy

A relevant aspect of the EU investment policy is the uneven investment distribution between the 27 members of the EU. Currently, national legal frameworks have considerable differences and each member state deals with foreign investment separately.

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as there exist 26 bilateral investment treaties with China (European Commission 2013). Some member states have more constraining investment rules than others. Chinese companies have thus far taken advantage of this fragmented policy of the EU member states to obtain market access. Central and Eastern European countries are competing to attract Chinese capital. They have started to create a pro-China lobby that makes it more difficult for member states to agree on a common policy towards FDI (Meunier 2012). States in need of Chinese FDI will not be pleased with a supranational investment regime implemented by the BIT that might restrict certain investments. This interaction between governments and MNEs needs to be studied in the context of the changing economic and political landscape.

The Rhodium Group (Hanemann and Rosen 2014) supports the view that Chinese FDI in Europe is determined mainly by commercial motives. According to them, Europe’s current model of free open market will be seriously tested in future with the inflows from China. If the European investment policy is to remain free from fragmentation by national economic interests, it must assure healthy competition and effective national security screening.

**Potential competition threat?**

As the European car sales are decreasing, the Chinese car market grows stronger and seeks to capture the benefits of the EU single market. The EU, as an attractive location for investments, with low FDI regulation, educated workforce, and high productivity levels, is motivating the Chinese auto industry for further expansion. To what extent the European car makers feel compromised by their Chinese counterparts is revealed by a few developments, such as the case of Fiat who sued Great Wall for infringing upon European patents. The court prohibited Great Wall from selling or advertising the vehicle in the EU. Another case was the prohibition of selling Shuanghuan CEO in Germany, since its manufacturer was sued by BMW for having copied, allegedly, its luxury SUV BMW X5. However, the court in Milan rejected BMW’s suit a few days ago, while a Munich judge ruled in favour of the German carmaker in July. The joint Chinese-Israeli brand Qoros Auto also prevailed in a lawsuit in Switzerland filed by Audi, who claimed that Qoros’s new car’s name violates its right to use the letter Q on vehicle (Zhao 2014).

**THEORETICAL BACKGROUND**

**Internationalisation theories**

The theories of FDI best explain the change in economic capabilities of China, especially the kind of change that takes place through interactions in a complex political and economic environment. According to the internationalisation theory,
the reason why production is done by only one company instead of many in various locations is that it is more profitable to produce with one company (Dulupçu and Demirel 2005). In the explanation of the advantage of internationalisation, the first approach of the internationalisation of MNCs emphasises the importance of technology transfer. The difficulty is to appraise the actual value of knowledge. Intellectual property rights are also difficult to secure. Therefore, for a MNC, when seen in this context, the establishment of a new enterprise in a foreign country is more profitable than the sale of technology to another company. This demonstrates why a company might prefer FDI instead of production in home country followed by export.

It could be argued that these types of companies are mainly market-seeking and strategic asset-seeking, wanting to acquire ownership-specific advantages through internalisation in a host country with location-specific advantages. These advantages can include: created resources endowments, know-how related to production management, organisational systems, innovatory capacity, organisation of work, etc. or another form of organisational know-how (Xu et al. 2012). Therefore, they try to get access to such resources by means of FDI. This means that their acquisition tally with the size of the economy. Conversely, investments in the fifth-enlargement countries of the EU favour a low-cost production strategy (Clegg and Voss 2012). These emerging market enterprises do not possess intangible resources, such as patents and marketing skills, which could have driven the internationalisation to the developed market economies. For these reasons, the internationalisation of emerging market enterprises is likely to be driven mainly by the motives of learning, in order to overcome the barriers resulting from technological gaps and the disadvantages of latecomers (Aulakh 2007).

The “late development” thesis has been used to explain the “catching up” of the emergent economies of East Asia with early developing countries in terms of technology and know-how (Mathews 2006). The theories that explain Chinese internationalisation differ substantially from Western mainstream theories (Peng 2005), such as the OLI or eclectic paradigm, which explain that a firm can invest in a foreign country if three conditions are present: ownership-specific advantages, location-specific advantages and internalisation advantages. Instead, the internationalisation process of Chinese FDI supports the view that these firms have the capacity for organisational learning, which is their most important competitive advantage (Moingeon and Edmondson 1996).

These firms tend to have limited ownership-specific advantages; instead they internalise their country-specific advantages to be used outside their country of origin. Mathews (2002) proposes the LLL (linkage – leverage –learning) theory, which explains the strategy of latecomer firms. It shows that linking with a mature market company, a latecomer firm from an emerging market can leverage knowledge and technology, and market access. However, these two factors are not enough for success. Repeated actions of linkage and leverage will ultimately lead to learning that latecomer firms can employ for further growth. The resource-based
view claims that latecomer firms are likely to be attracted to resources with the following characteristics: rare, easily imitable and effortlessly transferable (Mathews 2002). The emerging-market companies have opportunities to engage in global production chains of MNCs from developed countries. By being linked in these global value chains as suppliers, the emerging-market companies can generate opportunities, be part of worldwide production networks, secure a constant stream of revenues, take place in global production chains and other kinds of knowledge leveraging and profit making. Consequently, the motives and patterns of FDI after the LLL process would also change. Dunning and Lundan (2008) suggest that the final success of MNCs from emerging markets lies in the ability to link firm-specific and country-specific institutional advantages. However, determining the firm-specific advantages of a company is the essential starting point for any kind of further theoretical explanation. It cannot be said that no companies from emerging markets possess sufficient ownership-specific advantages; rather, it is important how these firms use these advantages in relation to location-specific advantages and their motivation for investment.

**Power perspectives in economic relations**

Globalisation may be the most profound transformative process that works primarily through individuals, firms, sectors and other non-state groups (Reus-Smit and Snidal 2008) and that could provide the necessary theoretical background; however, it does not suffice to approach the motivations behind the establishment of governmental policies in their transnational actions. The state structure has a major role in this view. Power relations are also affected in this context.

Drawing on relevant historical examples in the context of neorealism (Mearsheimer 2009), a state must fortify adequately its own economic, military and political position in order to protect and maintain its position within the global hierarchy. However, nations must balance power internally and externally. The fundamental problem of balance remains situated on the issue of relative gains among states (Walt 1998) – where no nation wants to forgo their share, especially if it will tilt the balance of power out of their favour. In this context, Chinese governmental incentives comply with internal fortification for the need of high-end technology. The openness and willingness to adjust to certain WTO regulations as well as BITs shows the externally-oriented interest of China in balancing the current relations, and thus accentuating “manipulatively” its economic relations rather than economic interests. In this context, Europe’s greatest industry is at issue. Neorealists consider the international arena essentially as a self-help system that lacks common rule-making (Waltz 2010). Each state is responsible for its own survival and is free to define its own interests and to pursue power. Even though the WTO has set the fundamental framework for economic relationships among states, it still does not possess the authority to dictate any outcomes. It has also been argued that the EU’s common investment policy will
not remain untouched by the economic interests of China. Human nature would be the starting point here to explain the self-interest that Chinese FDIs have in investing in the EU market.

Within this relationship, transnational capital flowing into the EU promotes a neoliberal compromise. It is based on neoliberalism, but it also includes mercantilist aspects (Bieler and Morton 2003). In this context, the following question must be posed: Is it worthwhile to open the market to the degree at which the giant European firms would be shattered? In this context, the neorealists underestimate “the varieties of cooperative behavior possible within a decentralized system” (Evans and Newnham 1998). Nevertheless, a neoliberal hegemony is always desired and thus achieved through particular forms of state and transnational activities. In concrete terms, in this case, in times of globalisation, this refers to the increasing internationalisation and opening up of other countries’ economies, especially investing in the Western developed countries, thereby transnationalising these countries’ production structures. The hegemonic role is best seen in the national control of Chinese corporations. Many developing countries have excluded MNCs from certain sectors, and nationalised and limited the ownership share of foreign nationals either generally or in specific industries (Krasner 1983). In this sense, in the Follow up to the European Parliament resolution on the EU-China negotiations for a bilateral investment agreement, adopted by the Commission on 29 January 2014, the EP recommends that the EU should have the capacity to “exclude certain strategic sectors from Chinese investors” (European Parliament 2013). However, the EC does not agree on this issue stating “that it is not in the Union’s best interest to exclude any sector from the protection standards. In addition, the exclusion of specific sectors from our side could implicitly invite China to exclude its own sectors. Furthermore, the term ‘strategic sectors’ has not been defined so far and would be open to controversy” (European Commission 2014c). This issue remains highly controversial for the EU open market and it will test the EU’s capabilities further with regard to the implementation of neoliberal market policy where it should, at the same time, provide enough safeguarding for its own sectors that mostly contribute to the economy.

REFERENCES


V. POLITICAL ECONOMY OF THE EU – CASE STUDIES
FINANCIAL CRISIS IN CROATIA AND SLOVENIA: THE CRISIS OF EUROPEANISATION THROUGH BADLY MANAGED ECONOMIC INTEGRATION

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Abstract

This paper deals with the economic and political impact of the Euro Crisis in Slovenia and Croatia. The author pursues the argument that, despite their initial divergence in terms of the adopted economic policies and the historical context at the beginning of their statehood, both countries started to converge around a similar economic model at the turn of the 21st century. This model is based on the financialisation of economy that boosts growth by rapidly rising the levels of private and public debt. Despite the initial progress and success in instituting the market economy and consolidating democracy, the positive impact of Europeanisation started to fade as a consequence of the clash between the contentious and problematic model of economic integration of respective countries with the EU core and the structural power of finance at the EU level. The interplay between the asymmetric and increasingly financialised economic structure at the EU (Eurozone) level and the national accumulation strategies (powered by unreformed institutions) of the peripheral countries created a toxic mix conducive to falling levels of trust in the national and EU institutions as well as to rising poverty and unemployment. The main challenge of reversing this dangerous trend is addressed in the last chapter of this paper. The author advocates an innovative combination of inflationary and deflationary measures to implement “beautiful deleveraging” as a means of reducing unsustainable debt burdens and restoring confidence in political institutions.

Keywords

Slovenia, Croatia, financialisation, euroisation, debt, deleveraging, crisis

INTRODUCTION

Croatia and Slovenia have experienced a number of political and economic developments on their path to the full membership in the EU, many of which have utterly changed their political and economic structures to the better as compared to their socialist and early post-socialist legacy. Bearing in mind the benefits emanating from
the potential membership in the EU and the role of institutional anchoring, the process of Europeanisation finally started influencing their domestic institutional context in the wake of their state-formation and democratic transition. Hereby, I refer to Claudio Radaelli’s definition of Europeanisation which encompasses: (a) construction (b) diffusion and (c) institutionalisation of formal and informal rules, procedures, policy paradigms, styles, ‘ways of doing things’ and shared beliefs and norms which are first defined and consolidated in the making of EU decisions and then incorporated in the logic of domestic discourse, identities, political structures and public policies (quoted in Cini 2007: 407).

Very good evidence for the sheer scope and size of both countries’ respective transformations under the aegis of Europeanisation can be easily inferred from well-established international benchmarks such as Polity IV Project data and Bertelsmann Transformation Index Country Reports. Their status as the most economically developed and politically liberal countries of the former Yugoslavia goes hand in hand with their current BTI ranking as the 6th (Slovenia) and the 13th (Croatia) most transformed country in the dataset comprising 129 countries (Figure 1 and 2).

Despite the fact that Slovenia joined the EU a full decade earlier than Croatia and it boasts more stable democratic institutions underpinned by a higher GDP per capita, and the fact that its respective transformation had assumed a different trajectory, both countries today converge around very similar problems and challenges, which pose a significant threat to their long-term governability and stability. The most burning issues include the rapidly growing external debt and external imbalances, a very sharp increase in public debt, a misguided attempt at deleveraging in the private sector and growing social unrest combined with the falling trust in political institutions such as the government and the national parliament (European Commission 2013). These problems and challenges derive from several reasons and complexities, but the most significant ones include the strategies that both countries have adopted to pursue their goal of a relatively rapid EU economic integration, and the specific institutional architecture of the EMU/euroisation as well as its clash with the underlying domestic undercurrents in the form of unreformed elites and sticky primary political and economic institutions (Engerer and Voigt 2002).

With regard to the first issue of the strategy of the EU economic integration, Drahokoupil and Myant (2010) distinguish between different modes of the EU integration of the CEE countries through MNCs, exports in complex sectors, exports in

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121 However, in the last four years of the Euro Crisis, BTI implies degradation in several measurement categories in both countries.

122 According to the Polity IV Project report from 2011, Croatia scores 9 points, which qualifies it as a democracy, while Slovenia scores 10 and is, therefore, characterised as a full democracy (Polity IV Project database 2014).

123 Primary institutions (norms, values and habits) are often in conflict with secondary institutions (such as formal rules, institutions and procedures). Quite often, they result in contradictory and counterproductive incentives for political and economic actors.
simple manufacturing, commodity exports and financialised growth.\textsuperscript{124} Unfortunately, in the latter phase of their economic integration, both countries relied too heavily on financialised growth which meant they were part of the growing process of the financialisation of the European periphery (Lapavitsas \textit{et al.} 2010).\textsuperscript{125} Another issue are the specific institutional context of the EMU and the degree of euroisation in both economies, which were both conducive to this particular model of integration and growth. Finally, the primary domestic institutions, such as crony insider dealings and corrupt practices in both countries, proved more than resilient vis-à-vis the imported secondary institutions geared towards imposing anti-corruption practices and acquired through the gradual integration of both countries into the EU. Therefore, the focus of this paper is to explore one particular field of Europeanisation and its impact on the development paths taken by both countries, namely, euroisation in the case of Croatia and the full introduction of the euro in the case of Slovenia.

\textbf{Figure 1:} Bertelsmann Transformation Index (Croatia’s scores)

\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{Croatia_scores.png}
\caption{Bertelsmann Transformation Index (Croatia’s scores)}
\end{figure}

\textit{Source: Bertelsmann Stiftung 2014a.}

\textbf{Figure 2:} Bertelsmann Transformation Index (Slovenia’s scores)

\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{Slovenia_scores.png}
\caption{Bertelsmann Transformation Index (Slovenia’s scores)}
\end{figure}

\textit{Source: Bertelsmann Stiftung 2014b.}

\textsuperscript{124} In terms of different welfare regimes in CEE countries, Bohle and Greskovits distinguish between a neoliberal type in the Baltic states, an embedded neoliberal type in the Visegrad states, and a neo-corporatist type in Slovenia (Onaran 2011).

\textsuperscript{125} Thus far, Croatia has not introduced the euro. However, its exchange rate arrangement is described as a managed floating arrangement but translates \textit{de facto} into peg to the euro (+/- 5 %).
FINANCIAL INFLOWS, CAPITAL ACCOUNT LIBERALISATION AND RISING LEVERAGE/INDEBTEDNESS

Given the impact of the Europeanisation process in the financial domain, it is important to note that Slovenia was the only EU candidate country to introduce major capital controls and one of the slowest to liberalise its capital account. The capital account measures had three major phases: capital controls in 1995–1999, the liberalisation of credit operations in 1999–2000, and full liberalisation in 2001–2002 (Arvai 2005). Slovenia’s case is rather different from the other countries in the region, but similar to the experience of Croatia. Capital controls were installed mainly as a response to the inflows induced by persistent foreign borrowing by domestic banks and enterprises, unlike the portfolio flows more characteristic of other countries such as Hungary and Poland. Following the liberalisation of credit operations in 2002, financial credit inflows increased significantly.

On the other hand, capital account liberalisation in the case of Croatia progressed a little bit more slowly due to the country’s later entry into the EU and the macro-prudential measures introduced between 2004 and 2008 by the HNB (Croatian central bank). Nevertheless, those measures did not contribute significantly to stopping the rapid growth of foreign financial inflows, especially after the change in the banking sector ownership structure towards a majority foreign stake at the beginning of the 2000s. The rapidly growing financial inflows and the high degree of euroisation in Croatia (almost 75 % of broad money in Croatia is foreign currency-denominated, which makes Croatia the most euroised country among non-euro CEE countries) make possible a comparison with Slovenia, as both countries experienced similar challenges in the first decade of the 21st century.

The development model in both countries started to converge after 2000 as it was based on the financial market deregulation, with strong reform incentives for external capital account liberalisation. Basically, the Europeanisation of the monetary and financial regulation policies has been a multi-level and multidimensional process as it implies interaction between the top-down and the bottom-up approaches to the downloading of norms, rules, beliefs and procedures. In that sense, both demand and supply factors determined the pre-crisis credit expansion (Radošević 2014). On the demand side, this consisted of a gradual convergence in interest rates with the EMU core and an instrumental approach to obtaining access to the cross-border capital flows on the part of peripheral member states (despite the fact that this convergence progressed much more slowly in the case of Croatia). On the supply side, it is rooted in the growing financial globalisation and increased capital flows due to capital control abolition (significant reduction in the case of Croatia) and the elimination of

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126 Croatia introduced reserve requirements that are differentiated according to the residency of the depositor/creditor. These reserve requirements contributed to the building-up of liquidity buffers that successfully insulated the country’s banking system from liquidity stress during the global crisis.
foreign exchange rate conversion risk.\textsuperscript{127} It is also entrenched in the enforced norm of unhindered capital flows as the best way of capital allocation according to the assumption of the efficient market hypothesis. In the analysis of external constraints and governance structures influencing financial stability and growth, it is essential to say that both countries more or less decided to opt for capital mobility and a fixed exchange rate regime while forgoing the opportunity for using an independent monetary policy in supporting the industrial strategies as a means of gradual economic convergence with the EU’s core.\textsuperscript{128} Together with domestic institutional constraints and factors, which will be discussed in detail in the following chapter, the ever-increasing liquidity triggered rising financialisation in both countries, leading to serious internal and external imbalances (see Figures 3, 4, 5, 6, 7, 8 and 9).\textsuperscript{129}

**Figure 3:** Return on equity and return on assets in Croatian and Slovenian banks

\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{figure3.png}
\caption{Return on equity and return on assets in Croatian and Slovenian banks.}
\end{figure}

\textit{Source: Global Financial Development Database.}

\textsuperscript{127} In the case of Slovenia, this meant the full adoption of the euro in 2007. On the other hand, Croatia pegs HRK \textit{de facto} to the euro (the earlier peg was the Deutsche Mark).

\textsuperscript{128} It is also important to state that the core countries, such as Germany, had no clear interest in supporting industrial development on the periphery either, since the economic model of the periphery is based profoundly on the export-driven growth.

\textsuperscript{129} Financialisation can be defined as the growing impact of financial actors, motives, institutions and financial leverage (Epstein 2002). For further explanations of financialisation on the European periphery see Lapavitsas \textit{et al.} (2010).
Figure 4: Loan to deposit ratio as financing sources in Croatian and Slovenian banks

Source: Global Financial Development Database.

Figure 5: Domestic financial sector credit to GDP as an indicator of financialisation

Source: World Development Indicators.

Figure 6: Stock market capitalisation to GDP as an indicator of financialisation

Source: World Development Indicators.
Figure 7: Rapid increase in Slovenia’s and Croatia’s foreign debt levels

Source: Index Mundi.

Figure 8: Public debt to GDP ratio as the evidence for an unsustainable course of public finances

Source: Trading Economics.

Figure 9: Current account deficit in Croatia and Slovenia from 1994 to 2012

Source: World Development Indicators.
DOMESTIC INSTITUTIONAL FACTORS AND THEIR ROLE IN THE ONGOING
FINANCIALISATION PROCESS AND THE CREATION OF EXTERNAL AND
INTERNAL IMBALANCES

Slovenia and Croatia gained independence in 1992. While Croatia needed to fight the Homeland War at the outset of its statehood, Slovenia’s transition occurred in a more favourable external environment. The other crucial point of their initial divergence refers to the management of the privatisation process by the nascent national political and economic elites. Namely, Slovenia decided for state ownership under the patronage of President Milan Kučan. In most cases, the process of privatisation was conducted only in letter, while the leading firms remained tightly controlled by the state-sponsored funds such as KAD and SOD (Biočina 2008). In these specific circumstances, the process of privatisation occurred under the auspices of a farsighted and benevolent state, which heavily promoted export and regional acquisitions by the companies in question.

Meanwhile, privatisation in Croatia started in the middle of the Homeland War (War of Independence) and included many manipulations based on accounting gimmicks and crony insider dealings, which were not sanctioned by the executive government led by the longstanding President Franjo Tuđman. Unfortunately, industrial production in Croatia dwindled due to the combined effects of war devastation and the badly managed process of privatisation. As of 2012, Croatia has still not managed to recover the industrial production levels of the 1990. An additional factor that inhibits the growth momentum in Croatia has been the persistent unemployment in comparison with Slovenia (Figure 10). Given the high unemployment rate and the lack of recovery in terms of industrial production in Croatia, the mirror picture is to be found in higher fiscal and trade deficits in comparison with its neighbour Slovenia (Figure 11). Therefore, the debt-fuelled consumption model in Croatia served as an agent for preventing chronic stagnation. In the period of its economic transition, Croatia fell victim to five fatal traps: the trap of the overvalued Croatian kuna, which arose from the Stabilisation Plan in 1994; the trap of euroisation because of the lack of credible monetary and financial policy geared at a sound economic integration with the EU core; the trap of using exchange-rate mechanism far too long as a nominal anchor in defending price stability; and the connected traps of rising trade deficits (Figure 9) and accelerating foreign debt. Based on all of the aforementioned problems, the majority of Croatians in the early 2000s looked towards the EU as the beacon of hope and heralded Slovenia as a model student in their daily discourse. However, in Bella Balassa’s terms, economic integration cannot be a substitute for a sound economic development, which is the lesson both countries would arrive at a full decade later.

130 Initially, it was well-conceived but the government insisted far too long on the fixed parity between the Croatian kuna and the Deutsche Mark.
Unfortunately, the early Slovenian EU membership and the international status as a reform poster child has not saved it from its own blunders and the current regressive path. At the time of accession in 2004 and the turnaround from the social-democratic corporatist consensus arising from the change in government, managers focusing on corporate buyouts started to take out loans which they secured by using the shares they bought with these loans. Settling the related debts put an additional financial burden on companies and, accordingly, additional pressure on workers, which was clearly unsustainable *per se*. The ensuing financial crisis announced the death knell of these financial arrangements (Stanojević 2011). Therefore, the crisis in Slovenia is a result of an ill-conceived late privatisation policy of state enterprises initiated by Janša’s government of 2004–2008, which resulted in a series of huge leveraged managers’ buyouts financed by banks (the most notorious examples include companies led by Igor Bavčar and Boško Šrot). This honeymoon ended soon after the outburst of the global financial crisis as these schemes went bust and the banks were left with bad loans on their books (Smith 2013).

Despite the ongoing positive Europeanisation processes in both countries, their respective banking sectors acted as a destabilising force given their ability to access ever greater amounts of cross-border sloshing liquidity and their role in financing particular modes of consumption and investments. What is especially interesting is the fact that both countries started to converge around unsustainable economic policies in the 2000s despite the fact that they differed largely in their financial sector ownership structure. This points to the existence and influence of some sort of structural power and myopia on their decision-makers, which emanated from the prevailing institutional architecture and preference structure of the most important financial decision-makers in the EU. In Slovenia, credit-financed managerial buyouts by political insiders served as a GDP booster, while this particular role in the case of Croatia belonged to the rising public expenditures, which were often channelled into corrupt state and state-related enterprises. Of course, many of this enterprises chased profits during the country’s real-estate and construction boom like other similar enterprises in other peripheral EU countries. Therefore, in spite of having different ownership and incentive structure in their respective banking sectors, both countries ended up with a huge debt burden and the staggering percentage of non-performing loans (Figure 12, 13 and 14). One potentially fruitful explanation for this convergence in their bad performance, despite Slovenia’s initial transition advantage, might lie in the persistence of specific politico-economic circumstances such as managerial and political corruption, all of which survived after the accession to the EU and unfolded in combination with the growing financial deregulation and the ensuing financialisation as part of the Europeanisation of the national monetary and financial regulation policies. A recent

131 Structural power is the power to shape and determine the structures of the global political economy within which other states, their political institutions, their economic enterprises and (not least) their scientists and other professional people have to operate (Strange 1988).
Lessons Learned for the European Union

A study by an accounting firm Ernst & Young revealed the extent of managerial corruption in Slovenia and Croatia in comparison with many other EU members (Die Welt 2014: see Figure 15). The figures are worrying and give a heavy blow to the arguments that the EU accession assisted significantly in bringing corruption to a tolerable level. Finally, the collision between primary and secondary institutions (aimed at transparency and inclusiveness) in light of capital inflows ended to the advantage of primary institutions, which reinforce the underlying corrupt practices.

**Figure 10**: Macroeconomic performance comparison between Croatia and Slovenia (I)

![Unemployment rate comparison between Croatia and Slovenia](source: World Development Indicators)

**Figure 11**: Macroeconomic performance comparison between Croatia and Slovenia (II)

![Fiscal deficit/surplus and economic growth comparison between Croatia and Slovenia](source: World Development Indicators)

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132 The survey was conducted among 3500 managers from 33 countries worldwide. In the case of Slovenia and Croatia, 94 % and 90 % of all managers expressed the opinion that corruption represented a standard feature in the business life of their country.
Figure 12: Lending and deposit rate spread as a source of competitiveness or an incentive for generating investments in non-tradable sector

Source: Global Financial Development Database.

Figure 13: Banking sector ownership structure in Croatia and Slovenia from 2004 to 2009

Source: Global Financial Development Database.
**Figure 14:** Bad loans to total loans in Croatia and Slovenia from 2004 to 2009

![Graph showing bad loans to total loans in Croatia and Slovenia from 2004 to 2009](image)

*Source: Global Financial Development Database.*

**Figure 15:** Ernst & Young survey results for the degree of managerial corruption (Croatia, Slovenia and Serbia are highlighted)

![Bar chart showing managerial corruption](image)

*Source: Die Welt 2014.*

**ECONOMIC AND POLITICAL CONSEQUENCES OF THE EURO CRISIS IN CROATIA AND SLOVENIA – A WAY TOWARDS INNOVATIVE POLICY SOLUTIONS?**

As was already explained above, the crisis of unsustainable domestic development models in Croatia and Slovenia, as well as their debt-fuelled rapid economic integration with the EU/EMU core, coincided with a continent-wide lending/borrowing binge. The clash of domestic institutional factors and the changing external
environment proved to be a deadly brew. The introduction of the euro enabled only temporary convergence of the periphery with the core while deepening the existing gap in the long run. The successful conclusion of the Maastricht Treaty was followed by an incomplete convergence period, which led to embedded competitive imbalances favouring the core over the periphery in what was a non-viable fragmented economic structure. Unfortunately, the Maastricht financial stability criteria were not adequately enforced in case of many peripheral countries prior to the crisis while the source of instability in the private financial sector had been totally neglected. This was also the case in Croatia and Slovenia. According to the aforementioned criteria, Slovenia was judged rightly as a fiscally sound country. On the other hand, Croatia performed slightly worse in fiscal terms as it was still outside the EU with no date for the introduction of the euro in sight and the budget had become a hostage to Sanader’s populist and crony policies. Essentially, Slovenian and Croatian integration strategies resulted in high growth rates and in declining or stable public debt levels and everybody seemed happy for a while. The perception of stability with regard to exchange rate stability and the gradual convergence of interest rates (a much slower process in Croatia than in Slovenia) in the context of sudden capital inflows eliminated the pressure on local elites to truly reform and build a sustainable economy. Therefore, the growing instabilities and fragilities in private sectors of these two economies merged with the short-term oriented strategies of domestic elites and institutions which facilitated them. However, this only meant that the prosperity in the years of rapid convergence had been bought at the expense of future generations while leaving basic rent-seeking institutions intact.

The epilogue after the emergence of the global financial crisis and of the ensuing Euro Crisis can be observed in the rising unemployment rates, rising foreign, private and public debts (already shown in the exhibits above), rising risk-at-poverty and the falling trust in national political institutions, as well as in the falling trust among the population in the EU as whole (Figure 16). According to the Standard Eurobarometer Autumn 2013 report, respondents in Spain (9 % trust the government, +1 percentage point since spring 2013; 8 % trust the parliament, +1) and Slovenia (10 %, unchanged; 6 %, unchanged) are the least likely to trust their national institutions (European Commission 2013). Meanwhile, Croatian citizens tend to trust the EU more than their national government (39 % versus only 17

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133 One must point out that the EU as a norm and agenda-setter in the financial domain also underwent its own transformation and changed to the worse by catering too much to the interests of the European financial constituency.

134 According to the 2011 statistics, Slovenia’s risk-of-poverty level increased in 2010 by 0.9 percentage points to 13.6%. But humanitarian organisations warned that the 2011 data did not reflect the conditions in 2012, when many more people faced poverty than in 2011 (Bertelsmann Stiftung 2014a). Croatia’s risk-of-poverty rate increased from 20.5 % in 2010 to 21.1 % in 2011 (Bertelsmann Stiftung 2014b).
The experience of the European integration so far teaches us that voters tend to use their stance towards national governments as a proxy for their view of the EU integration (Armingeon and Ceka 2014). Therefore, it is not surprising that the majority of Croatian and Slovenian citizens distrust the key federal institutions of the EU such as the European Commission, the European Parliament and the ECB, despite their continuing, but rather vague support for the EU project as a whole.135

In economic terms, both Croatia and Slovenia currently face stock and flow problems. Applying the logic of Dani Rodrik’s analysis of the state of the European periphery to the cases of Slovenia and Croatia, both countries have too large debt stock and too little competitiveness to achieve external balance without significant domestic deflation and unemployment. What is required is an approach that targets both problems simultaneously. The prevailing approach of targeting debt through fiscal austerity and competitiveness through structural reform has produced unemployment levels that threaten social and political stability (Rodrik 2013). This means that Slovenian and Croatian political elites need to be more ingenious and adamant in devising the solutions for the sustainable and stable growth of their respective economies, which are currently engaged in an attempt at futile deleveraging. In the words of Ray Dalio (2008), only a combination of well-balanced inflationary and deflationary measures could spur the so longed-for recovery and the return of trust in national as well as the EU political institutions. Some of the options discussed are still taboo in epistemic community and political circles but they will be required sooner or later in order to avert an ever greater catastrophe. The deflationary measures in nature would include: moderate fiscal consolidation, debt reduction through the easing of pre-bankrupcy restructurings and settlements in the private sector and the credible commitment of both states to their creditors with a pledge to devise a coherent macroeconomic strategy in exchange for the prolongation of the payment period in tandem with lower interest rates on the outstanding debt (Dalio 2008).

The opposite of these deflationary measures would be some moderate inflationary steps such as ‘overt monetary finance’ which translates into creating money as non-interest bearing securities by national central banks for the purpose of bank recapitalisations or strategic infrastructural investments (Turner 2013).136 This essentially represents a convergence point between such disparate schools of economics such as Milton Friedman’s monetarism and the post-Keynesian approach. The elimination of Ricardian equivalence is possible because no current or future

135 Citizens in both countries think that the economic situation will get worse in the next 12 months, but they still decided not to support eurosceptical political forces in the recent European Parliament elections. The ECB has to be credited for its liquidity injections and bond purchases which reduced pressure on peripheral countries and their public finances and dampened the political potential of eurosceptic parties.

136 In this segment, Croatia as a non-EMU country has still more manoeuvring space than Slovenia.
debt service burden has been created to imply future taxes (ibid.). In essence, new spending that is not in the form of debt-carrying securities does not trigger expectations that more spending today means higher taxes tomorrow, which certainly implies a lower fiscal multiplier. Unlike the situation in the upswing part of the business cycle, the crowding-out effects of fiscal policy due to its neutralisation through higher interest rates can be easily discarded. This measure should be implemented carefully because a powerful medicine can soon become an even more dangerous poison. All of this should be topped by the implementation of structural reforms such as improvement in the quality and efficiency of the education and healthcare sectors as well as by a strong competitive boost to labour and financial markets.\textsuperscript{137} The last but not the least important set of measures refers to the taxation of economic rents and redistribution of the taxed income towards more productive and wealth-creating undertakings.

**CONCLUSION**

If both Croatia and Slovenia adopt the combination of this creative set of policy measures espoused in their credible strategy for national economic recovery, one can rest assured that the cherished goals of life-quality improvements for individuals, increased welfare gains for the society at large and political stability coupled with a rise in support for national and the EU institutions will look attainable. In contrast, more muddling based on the already tried and unsuccessful policy measures would increase the fragility of their political economies. Furthermore, this would undermine the support of the majority of Croatian and Slovenian citizens for the process of Europeanisation. In the latter case, the image of the EU as the bulwark of stability and prosperity in the tumultuous and globalised world of the 21\textsuperscript{st} century would be severely tarnished. However, whether or not emerging out of the current vicious cycle and attaining this lofty goal is politically possible, it remains to be seen.

\textsuperscript{137} In both cases, it is important to manage the goals of competition and stability because too much of these two extremes can lead economy either towards an unsustainable path of financial and labour instability or to chronic stagnation.
Figure 16: The correlation between the trust in national governments and the EU

Source: Armingeon and Ceka 2014.

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THE IMPACT OF THE EU INTEGRATION PROCESS IN THE FIELD OF AGRICULTURE AND THE CASE OF SLOVENIA: OPPORTUNITY, CONSTRAINT OR SOMETHING IN-BETWEEN?

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Abstract

This paper analyses the effects of the integration of Slovenia and the other Central and Eastern European countries (CEECs) into the European Union (EU) on their agriculture. In the field of agriculture, the EU has established a comprehensive distributional policy. Three alternative theoretical frameworks that could explain the outcome of accession are being explored: first, liberal institutional, which points out role of specific institutional settings that facilitate the opportunities for farmers in the candidate countries; second, liberal intergovernmental, which points out that the benefits of the farmers from the new member states based on distributional mechanisms would be limited due to the dependence (a)symmetry; and third, critical realist, which points out the increased pressures on the undercapitalised production structures in the new member states. The empirical research draws on interviews with the members of the negotiation team, various political-economic analyses and reports. It is focused on three aspects of accession; the pre-negotiations setting, the accession negotiations process, and the post-accession period. The paper concludes by discussing the relevance of the results for the national integration strategies.

Keywords

Central and Eastern European countries (CEECs), common agricultural policy, European Union (EU), enlargement

INTRODUCTION: ACCESSION TO THE LAND OF PLENTY

The process of the integration of Slovenia and other Central and Eastern European Countries (CEECs) into the European Union (EU) began in the early nineties and was completed with the 2004 “big bang” enlargement, the 2007 accession of Romania and Bulgaria, and the 2013 accession of Croatia. In the field of agriculture, the EU has developed a comprehensive Common Agricultural Policy (CAP), which
takes almost half of the resources available in the common budget to support domestic farmers. The candidate countries, whose agricultural sectors were underdeveloped and overpopulated, hoped to benefit from this policy.

In this paper, we would like to explore how the integration of Slovenia and other CEECs into the EU affected them and their farmers. Three alternative theoretical approaches will be explored: first, liberal institutional approach (Schimmelfennig 2001; Schimmelfennig and Sedelmeier 2002), which assumes that Community norms, institutions and distributional policies would improve the economic opportunities, political representation and distributional outcomes for the farmers from CEECs; second, liberal intergovernmental approach (LIG), which points out that the improvements in the position of farmers from CEECs will be limited by the asymmetrical dependence of the candidate countries and the old member states, which will specifically determine the outcomes of the enlargement in the field of distributional policies such as CAP (Moravcsik and Vachudova 2003); and third, critical realist approach (Potter and Tilzey 2005, 2007) which anticipates increased pressures on the undercapitalised sectors, such as the new member states’ agriculture, which would be due to further concentration of capital.

In order to assess the relevance of the alternative approaches, the expected outcomes of the EU accession for Slovenia and other CEECs will be tested against personal experience of individuals involved in the negotiation process, various political-economic analyses and reports.

The paper is structured as follows: in the following section, alternative theoretical approaches and the methods of the empirical research are elaborated further. In the second part, the results of the research are presented. They are divided into three phases: the pre-negotiations setting, the accession negotiations process, and the post-enlargement period. This paper concludes by discussing the relevance of the results for the integration strategies of the (future) member states coming from Central, Eastern and Southeastern Europe.

THEORETICAL FRAMEWORK: INTEGRATION AS AN OPPORTUNITY, RELATIVE OPPORTUNITY OR A CONSTRAINT?

There are three main groups of mechanisms which could explain the impact of the integration process. These are, first, the specific normative, institutional and policy setting; second, the bargaining between interest groups and countries, both new and old member states; and third, the relations of power which are based on capital ownership and concentration. The first mechanism is specifically dealt with by liberal institutional theory, the second by LIG and the third by critical realist theory.

In accordance with the liberal institutional theory, the EU has established a comprehensive set of norms, institutions and policies, which strengthen the position of smaller and less developed countries (Schimmelfennig 2001; Sedelmeier
There are two ways through which this is achieved. Firstly, the EU provides its members with access to common goods such as big market (Baldwin et al. 1997) and stronger political representation. Supranational authorities, such as the European Commission, which represent the interests of the EU as a whole, make it possible to put pressure on particular short-term interests of national interest groups. Secondly, in order to become members, candidate countries are expected to adopt the EU norms, institutions and policies, which, at least when transitional countries are concerned, improve the efficiency of the political system and facilitate economic development (Risse et al. 2001; Schimmelfennig and Sedelmeier 2002: 520, 2005).

The Common Agricultural Policy (CAP) is based on common market and common financing of the agricultural supports. There is extensive *acquis* in the field of agriculture which serves the improvement of the management of agricultural markets and of the organisation of producers. The membership is expected to improve political representation and the opportunities for the farmers from CEECs (Tangermann and Banse 2000).

Following LIG (Moravcsik and Schimmelfennig 2009: 68–69), the outcomes of the relations among the governments can be explained with, first, competition between interest groups at the national level; second, a two-level game in which governments try to maximise their preferences by trying to strike international deals which favour interest groups supporting them; and third, relative bargaining power defined in terms of asymmetrical dependence. In the case of the Eastern enlargement, the candidate countries were expected to gain much more from their accession, which is why they were in a relatively weaker bargaining position. Since the interests of farmers in the old EU member states were typically relatively concentrated and strong, it was expected that the enlargement would result in the accommodations of CAP which would constrain the scope of distribution of supports to the new member states. This could, for example, be done through the process of “pillarisation” ( diversification) of the policy (Moravcsik and Vachudova 2003: 56).

Critical realist approach explains the effects that social relations have on individual social groups with the position of the latter in the production relations. Capitalist production relations which are based on the private ownership of capital means have a tendency of capital concentration, which means that resources are being redistributed from labour to capital owners. The enlargement of the EU is considered to be a part of the process of market expansion and the strengthening of global capital centres (Bieler...

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138 There are two possible views on the role of the EU norms: the first is normative institutional, which is based on the role of norms that have become institutionalised through (legal) documents, and the second is constructivist, which is based on the constitutive role of ideas and discourses (Checkel 2001; Lewis 2005).

139 In accordance with LIG, institutions mostly play a role where interest is dispersed or in the cases where there is a threat of moral hazard. An example is common market where the member states have provided the European Commission with the authority to implement rules and sanction breaches. In the case of CAP, where interests have been well defined and concentrated, the European Commission has played a weak role historically (Moravcsik and Schimmelfennig 2009).
Lessons Learned for the European Union

It is expected to benefit the old capital centres and the new capital owners. Since the greater part of agricultural production in CEECs was undercapitalised and based on family farm labour, the accession of these countries to the EU would increase the economic pressures on their farming sectors.

**Table 1:** Theoretical framework: integration as an opportunity, relative opportunity or a constraint?

<table>
<thead>
<tr>
<th>Mechanisms</th>
<th>Expected outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liberal institutional community norms, institutions and policies</td>
<td>improved production efficiency, stronger voice and positive distributional effects</td>
</tr>
<tr>
<td>LIG interest groups competition, two-level game and relative bargaining power</td>
<td>limited benefits due to relative dependence</td>
</tr>
<tr>
<td>Critical realist position in the production relations</td>
<td>pressures on undercapitalised production structures</td>
</tr>
</tbody>
</table>

Source: own elaboration.

The alternative theoretical explanations will be tested empirically against personal experience of negotiators from one of the candidate countries, formal documents, political-economic analyses and reports. The presentation of results will be divided into three parts: the pre-negotiations setting, which will focus on the institutional framework, individual interest groups and production structure; the accession negotiations, where we will focus on the negotiation procedures and their outcomes; and the post-accession period where we will focus on the outcomes of membership for the new member states.

**RESEARCH RESULTS**

**Pre-accession setting**

After the disintegration of the Yugoslav regime, the Slovenian political elites sought membership in the Euro-Atlantic integrations as a strategic chance providing them with economic opportunities, transfer of good institutional practices and a stronger political voice. In the EU, the political decision for the enlargement was made at the 1993 Copenhagen European Council, at which it was decided that CEECs will be welcomed into the EU under the conditions of “democratic institutions, market economy, ability to meet market forces of the EU and to fulfil membership obligations including the goals of political, economic and monetary union”, with the latter being planned to be launched by the end of the decade. The rapprochement of Slovenia and the other CEECs started with the signing of the so-called Europe agreements, which has been taking place since the early nineties and which liberalised the trade between the EU member states and the individual CEECs (Lovec and Erjavec 2012).
Agriculture immediately became one of the most contested areas. At the time the Copenhagen agreement was reached, the farmers’ organisations from the old EU member states argued that enlargement would result in increases in production and pressures on agricultural producers (Buckwell and Tangerman 1997). The CAP was already facing troubles that were due to overproduction. In order to contain incentives to produce, the 1992 “MacSharry reform” replaced a part of the price supports with direct payments to farmers. In 1994, the agreement of the Uruguay round of trade negotiations on agriculture was signed, setting the limitations for the supports for prices and production (Coleman and Tangerman 1999). The accession of CEECs where supports for farmers were compared with the EU levels still lover could result in increases in production and breaches to the trade agreement.

Table 2: Agricultural production structure in CEECs

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Bulgaria</td>
<td>24,1</td>
<td>14,5</td>
<td>13,2</td>
<td>6,2</td>
<td>42,2</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>60,1</td>
<td>4,8</td>
<td>5,5</td>
<td>4,28</td>
<td>21,3</td>
</tr>
<tr>
<td>Estonia</td>
<td>38</td>
<td>7,1</td>
<td>7</td>
<td>1,2</td>
<td>32,7</td>
</tr>
<tr>
<td>Hungary</td>
<td>52,8</td>
<td>5,8</td>
<td>6,5</td>
<td>6,2</td>
<td>34,9</td>
</tr>
<tr>
<td>Latvia</td>
<td>29,2</td>
<td>7,4</td>
<td>14,4</td>
<td>2,52</td>
<td>33,3</td>
</tr>
<tr>
<td>Lithuania</td>
<td>29,5</td>
<td>11,3</td>
<td>18,4</td>
<td>3,5</td>
<td>44,4</td>
</tr>
<tr>
<td>Poland</td>
<td>38,9</td>
<td>5,1</td>
<td>18,7</td>
<td>18,47</td>
<td>30,8</td>
</tr>
<tr>
<td>Romania</td>
<td>26,9</td>
<td>18,8</td>
<td>45,2</td>
<td>14,79</td>
<td>38,5</td>
</tr>
<tr>
<td>Slovakia</td>
<td>48,1</td>
<td>4,8</td>
<td>6,9</td>
<td>2,44</td>
<td>26,2</td>
</tr>
<tr>
<td>Slovenia</td>
<td>71,1</td>
<td>3,8</td>
<td>9,6</td>
<td>0,78</td>
<td>20,1</td>
</tr>
<tr>
<td>CEEC</td>
<td>7</td>
<td>22</td>
<td>60,39</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EU-15</td>
<td>1,6</td>
<td>5</td>
<td>134,26</td>
<td>15</td>
<td></td>
</tr>
</tbody>
</table>


In Slovenia and in other CEECs, fears were raised as well. During the transition crisis, agricultural producers lost access to several markets, the supply and demand chains disintegrated and the prices of the imported inputs such as fertilisers and technical equipment increased. The production structures have become more fragmented, less organised and more labour-intensive. Problems were specifically hard with products with higher value added such as animal products. In the area of field

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140 The view was stated by COPA-COGECA, who represent the farmers’ unions and cooperatives at the EU level.
crops, the situation was a bit better (Baker 2002). The Europe agreements included special provisions limiting agricultural export from CEECs to the EU. In practice, due to its heavily supported domestic production, the EU even created a surplus in trade with agricultural products with CEECs. Several CEECs faced trade deficits which were based on trade with agricultural products (see Table 2 above).

**Accession negotiations process**

Accession negotiations with Slovenia and four other CEECs were launched in 1998.141 The EU negotiated with candidate countries one on one. In the case of agriculture, the EU was not represented by DG enlargement but by a special Unit for enlargement, which was composed of staff members from DG agriculture. In Slovenia, accession to the EU was treated as a national strategic priority. A special ministry was established to be in charge of negotiations and implementation of the acquis. In the field of agriculture, a team of national specialists was set up in order to prepare and defend the Slovene negotiations position. High officials tried to learn as much as possible from the experience of Austria who entered the EU in 1995.

During the first year and a half, the experts representing the EU and member states learned about the particular characteristics of the acquis and candidate countries’ agriculture. In 1999, the European Council in Berlin deciding on the Multiannual Financial Framework (MFF) for the 2000–2006 period agreed upon an “Agenda 2000” CAP reform, which further phased out price supports and increased compensatory payments to farmers (Ackrill 2000; Schrader 2000). Since prices in the EU were now close to the world levels, policy incentives to produce were limited. The agreement on the new MFF set the scope of the funds which would be available for financing of the CAP and the scope of special structural supports for the candidate countries.142

By the end of the nineties, the European Commission published some critical reports with regard to the speed of the implementation of the acquis (Baker 2002). The candidate countries were eager to start the negotiations on the financial terms of their accession, but there was no will on the EU side to do so. In some of the old EU member states, fears were raised that the farmers coming from the new member states will not be able to follow the required production standards. The negotiations process was stalled. In the EU, the UK, the Netherlands, Sweden, Germany and some other CAP reformists argued that new member states should not be granted direct payments since, in contrast to the old EU member states, in their case there

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141 Based on the recommendation of the European Commission, which was formally endorsed at the Luxemburg Summit in 1997, five CEEC countries (Poland, Hungary, the Czech Republic, Estonia, and Slovenia) and Cyprus started accession negotiations in March 1998. In December 1999, the Helsinki European Council opened accession negotiations with six others: Latvia, Lithuania, Slovakia, Malta, Bulgaria, and Romania.

142 E. g. special agricultural payments for rural development (SAPARD).
was nothing to compensate for. Their fear was that, if candidate countries were to be made beneficiaries of the CAP, it would be impossible to curb redistribution of supports and reform the policy (Daugbjerg and Swinbank 2004: 109). Some of the conservative member states (in terms of the CAP), such as Spain, Italy and France, opposed to treating the compensatory payments as temporary since they feared that this would eventually make possible their phasing out. The European Commission (2002), as well as some moderate member states, were in favour of the general eligibility of direct supports but warned that, in the case of CEECs, these should be limited in order to prevent their negative effects for restructuring.

At the time of Spanish presidency to the European Council, it was decided that new member states would be eligible for direct payments. By the second half of 2002, German Prime Minister Gerhard Schroeder and French president Jacques Chirac agreed that the scope of the funds available for direct payments would remain at their 2006 levels. The bilateral agreement was endorsed by the October European Council in Brussels (Daugbjerg and Swinbank 2004: 101). It was also agreed that, in the case of new members, direct payments will be gradually phased-in over a ten-year period. In order for the financial agreement to be respected, this would require further CAP reforms. New members would be able to apply the Simplified Area Payments Schemes (SAPS). By the end of the year, the bilateral visits between the old and the new member states intensified. New member states were granted additional supports and an opportunity to top up direct payments by drawing on national budgets (Swinnen 2003: 8). However, they were also pressured to accept what was on the table in order for the “negotiations” to be concluded by the end of the year.143

Just after the enlargement agreement was made, the CAP underwent another reform. The so-called Fischler reform decoupled supports from production, introduced variable payment schemes, conditioned direct supports upon compliance with various public measures, and introduced modulation mechanism which transferred 5% of direct payments to the rural development pillar, thus decreasing the pressures on the direct payments’ financial ceiling (Swinnen 2008).

**Post-enlargement period**

In 2004, eight CEECs plus Cyprus and Malta entered the EU. Following the accession, Slovenia and the other CEECs faced increased growth rates and improvements in the estimates on the functioning of domestic institutions (Lovec and Crnčec 2014). In agriculture, both price levels and the levels of supports were increasing.

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143 Only Slovenia and Malta chose not to go with the SAPS. The SAPS scheme did not really represent good support for the restructuring. The ability to top up direct payments did not mean much to most of the CEECs who already increased their expenditures on agriculture substantially during the pre-enlargement years.
However, the price of inputs increased as well and there was further concentration in the supply and demand chain. Supports only benefited some of the producers and production factor owners and did not bring major improvements in the production structures (see Chart 1 and Table 3 below).

The 2005 agreement on the new MFF was determined by status quo: the scope of direct payments was kept unchanged and the scope of rural development supports was slightly decreased. The new member states could not influence the outcome of the agreement since consent of all members was required and since non-decision would favour past beneficiaries.

In 2007, Romania and Bulgaria entered the EU. In 2008, when the consequences of the emerging financial and economic crisis were already being felt around the world, Slovenia was facing the inflation of food prices. Due to its high growth rates, it was still considered a success story and an example of a “good student”, which is why it was the first among the new member states to preside at the European Council. In 2008, the Health Check reform of the CAP continued with the phasing out of the remaining market supports, increased modulation to 10 %, and introduced “degressive capping”, transferring additional 4 % of individual payments above 300,000 euros to the rural development pillar. Thus, the reform once again enabled the CAP to stay under the financial ceiling agreed upon in 2002. Even though the new member states were granted some extra funds, they were unable to influence the outcome of the Health Check reform (Lovec and Erjavec 2013).

The economic crisis decreased growth and increased public spending. Due to the ongoing economic decline and capital flight, countries on the periphery of the Eurozone, including Slovenia, who adopted the euro in 2007, faced increased financial and economic pressures. Since public debt began to accumulate, the interest rates on their credits increased, forcing them into fiscal cuts which resulted in further economic decline. Due to its inability to deal with the asymmetrical pressures on the Eurozone periphery, the EU as a whole has hit another bottom. The crisis revealed that the convergence was in fact inflated, covering up the insufficient institutional and economic development (Lovec and Crnčec 2014).

By the end of the decade, discussions on the new MFF for the 2014–2020 period and on a new CAP reform were launched. After more than two years of negotiations, the agreement was finally reached in 2013. The CAP budget was changed only slightly. The cut in available funds was stronger with the rural development programmes and the new member states. The 2013 reform of the CAP introduced new base payments, which, to a larger extent, are per area based. The reform decreased the gap in the size of the supports (in per area terms) between the old and new member states, however, this only improved the position of the farmers in the Baltic

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144 The scope of bad investments was due to a combination of factors including the lack of control over the state interference in the economy, the underestimation of investment risks, and the convergence bubble on the Eurozone periphery.
countries. Furthermore, the reform enabled member states to switch substantial shares of rural development funds to the direct payments pillar. Since compared with the rural development funds, the latter do not require specific national programmes and co-financing, there is a good chance that additional funds which could go for restructuring will be channelled into land rents, leaving the production structures unchanged (Lovec and Erjavec 2014).

Chart 1: The number of farm holdings in Slovenia by the size of agricultural area

Table 3: Slovene farms – economic account

<table>
<thead>
<tr>
<th></th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production in basic prices</td>
<td>1,012</td>
<td>937</td>
<td>1,091</td>
<td>1,065</td>
<td>1,066</td>
<td>1,127</td>
<td>1,178</td>
<td>1,061</td>
<td>1,111</td>
</tr>
<tr>
<td>Intermediate consumption</td>
<td>538</td>
<td>559</td>
<td>604</td>
<td>585</td>
<td>599</td>
<td>697</td>
<td>774</td>
<td>667</td>
<td>693</td>
</tr>
<tr>
<td>Gross value added</td>
<td>474</td>
<td>378</td>
<td>487</td>
<td>480</td>
<td>467</td>
<td>430</td>
<td>403</td>
<td>394</td>
<td>419</td>
</tr>
<tr>
<td>Factor income</td>
<td>365</td>
<td>274</td>
<td>412</td>
<td>420</td>
<td>412</td>
<td>457</td>
<td>418</td>
<td>395</td>
<td>413</td>
</tr>
<tr>
<td>Share of GVA of agriculture</td>
<td>2.1</td>
<td>1.5</td>
<td>1.8</td>
<td>1.7</td>
<td>1.5</td>
<td>1.2</td>
<td>1.1</td>
<td>1.1</td>
<td>1.2</td>
</tr>
<tr>
<td>of GDP</td>
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<td>Employed</td>
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<td>95,605</td>
<td>90,159</td>
<td>90,043</td>
<td>88,672</td>
<td>83,953</td>
<td>83,185</td>
<td>80,188</td>
<td>77,776</td>
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<td>GVA per employed</td>
<td>4,476</td>
<td>3,952</td>
<td>5,406</td>
<td>5,328</td>
<td>5,264</td>
<td>5,117</td>
<td>4,847</td>
<td>4,919</td>
<td>5,384</td>
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Source: SURS 2012.
DISCUSSION: FROM A GOOD CANDIDATE TO A POOR MEMBER

The integration of CEECs into the EU has resulted in a changed policy framework for their agricultural producers as well as in changes of the EU’s CAP. The central question of this research was whether or not the integration has improved the position of the producers through the advantages of the Community norms, institutional setting and policies, whether or not the improvements have been relative to the powers of interest groups and countries, and whether or not the concentration of capital has put pressure on labour and labour-intensive economies.

The political elites in Slovenia and other CEECs sought EU membership as a big strategic opportunity. The agricultural sector was no exception. The institutional setting in which the accession negotiations on the agricultural package took place was a bit different from the settings that dealt with other packages in terms of a stronger presence of experts from DG agriculture, which made the role of policy specialists especially important for the outcome of the negotiations. In accordance with the opinion of one of the key Slovene negotiators in the field of agricultural policy, their work was “relatively free from political pressures which enabled them to reconsider what was really good for the sector”. Based on the mutual trust between them and the negotiators on the EU side, they were able – during the final stage of negotiations – to negotiate various “bonuses”, such as the extra rural development supports and the ability to top up the direct supports. The 2003 Fischler reform, which decoupled supports from production, introduced new policy rationale and modulated part of the direct payments into the rural development fund, seemed to be influenced by the European Commission and its concerns for the EU agriculture as a whole (Swinnen 2008). However, policy reforms, which were taking place in parallel with the accession negotiation process, replaced price supports with historical supports to farmers. The support levels which were granted to the new member states were much lower. National bargaining on the common budget prevented the redistribution of supports and determined the outcomes of the reforms (Lovec and Erjavec 2014). In spite of substantial support levels, the agricultural production structures in CEECs only faced limited development. The position of CEECs has been increasingly influenced by rent-seeking interest groups such as the landowners.

The limited scope of the redistribution of funds and the changes in the CAP, which made possible the preservation of the national support levels, seem to point out the relevance of the LIG-based explanation (Moravcsik and Vachudova 2003). However, the role of the new objectives of the CAP, such as income stability, environmental concerns and rural development, which were defended by the Commission and which gave legitimacy to the policy changes, could hardly be explained with the dispersion of interests and the lack of interest on the side of CEECs and their

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145 The supports were based on the nineties production levels when agriculture in CEECs was facing crisis and state supports were at their historical low.
farmers. If anything, they could be treated as a case of information asymmetry, poor quality of the institutions of representation, and insufficient expert knowledge, in which various interest groups from the old and the new member states as well as the European Commission seemed to be playing for the same team. Secondly, although the level of agricultural prices and supports increased in the years following the enlargement, the prices of inputs increased as well (see Table 3 above). The agricultural supports were beneficial for individual producers and production factor owners. However, the majority of the farmers were pressured by both input suppliers and retail. There has been no substantial change to the farm structure; the average farm remained small and labour-intensive with an almost insignificant value added and factor income. Some of the more general benefits that CEECs enjoyed after the accession turned out to be inflated as well. As a Eurozone member, Slovenia became increasingly dependent on the borrowing in foreign markets which means that its dependence asymmetry actually got worse (Lovec and Crnčec 2014).

In the candidate countries, agriculture was relatively undercapitalised and labour-intensive. During the accession negotiations process, the CAP was reformed in a way which enabled reproduction of capital embedded in the production structures in the old member states. After the accession, the majority of the farm sector faced increased pressures which were due to the concentration of the supply and demand chains. Although food prices increased substantially, the position of the majority of the farmers did not improve. They often decided to leave farming or became even more marginalised in terms of production for the markets. In several sectors, the scope of production declined. On the other hand, a small margin of agricultural producers and production factor owners was able to benefit substantially from the EU membership.

CONCLUSION: HOW TO MAKE THE EU WORK (FOR US)?

The accession strategies followed by CEECs proposed to behave as “good Europeans” and to take advantage of the Community framework. In reality, the candidate countries tried to get as much as possible for themselves by supporting various Community initiatives in return for special arrangements provided by the EU. Such strategies, which followed the logic that corresponds to the liberal institutional theory and LIG, turned out to be flawed and short-sighted. The candidate countries accepted uncritically the EU norms, institutions and policies, thus allowing the EU to shape economic relations. In trying to improve their position by “othering” the rest of the candidates, CEECs threw away the opportunity for a joint position, which could

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146 Although LIG recognises the notion of the structural characteristics of the economic context in which intergovernmental bargaining takes place, the latter is not considered as a variable which could explain the outcomes against the rational behaviour of governments.
increase their political strength. Critical realist approach which seems to explain today’s position of agriculture in Slovenia better, calls for a changed national strategy, which would be based on the identification of structural inequalities, such as the unequal support levels and the problem of underdeveloped production structures and formation of a joint approach of the countries on the EU periphery that could bring about sufficient institutional and policy changes which would enable the EU to work equally for all of its member states and citizens.

REFERENCES


V. Political Economy of the EU – Case Studies


APPENDICES

Chart 2: CAP expenditure and reform path (2011 constant prices)

Source: European Commission 2014.

Chart 3: Structure in subsidies value in agriculture, Slovenia

Source: SURS 2012.
**Chart 4:** Factor income per annual work unit, EU-27 member states, 2010

*Source: SURS 2012.*
VI. TEACHING EU IN THE WESTERN BALKANS – SOME POLICY PROPOSALS
WHEN IN TROUBLE – REACH OUT: REGIONAL UNIVERSITY DIPLOMACY

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Abstract

The current processes in the field of education, along with the global changes in societies and technological innovations, challenge the very idea of academia as we know it – elsewhere in the world as well as in Southeastern Europe. This paper reflects on these common challenges but also offers some pieces of wisdom borrowed from another field – the field of diplomacy. Though, at first, it may seem odd and even irrelevant, the logic of multilateral cooperation is of general application or, at least, transposable to other fields and other circumstances including, as the paper argues, the academia. The framework of multilateral diplomacy has the potential to help re-conceptualise the manner in which the academia faces the omnipresent challenges. The paper does not invoke the multilateral diplomacy paradigm in all its theoretical complexity; instead, it introduces a set of major tenets or core notions considered relevant and transposable. While nobody can argue against the general benefits of regional and international cooperation, the creation of a firmer higher education framework in the region introduces simultaneous and intensive interaction between many universities and faculties from different countries with a single aim – to overcome common challenges and to compensate for the lack of one’s own as well as the national government’s resources.

Keywords

Challenges, distance learning (DL), higher education/university, massive online open courses (MOOC), revolution, technology

INTRODUCTION

The current processes in the field of education, along with the global changes in societies and technological innovations, challenge the very idea of academia as we know it – elsewhere in the world as well as in Southeastern Europe. This paper reflects on these common challenges but also offers some pieces of wisdom borrowed from another field – the field of diplomacy. Though, at first, it may seem odd and even
irrelevant, the logic of multilateral cooperation is of general application or, at least, transposable to other fields and other circumstances including, as the paper argues, the academia. The framework of multilateral diplomacy has the potential to help re-conceptualise the manner in which the academia faces the omnipresent challenges. The paper does not invoke the multilateral diplomacy paradigm in all its theoretical complexity; instead, it introduces a set of major tenets or core notions considered relevant and transposable.

**CONTEMPORARY CHALLENGES: GLOBAL AND REGIONAL**

What is the present-day higher education about? What does it do? What does it produce? How does it affect our societies? How does it contribute to the society? What do the letters after a name mean? What is their value? How does the present-day higher education measure its success? How does it track the success of its students?

Before even considering these apparently universal questions, it must be very clear that they should not and cannot be answered solely by the universities and their academic staff. Students, employers and governments need to answer these questions, too. What does higher education mean to them? For it cannot and should not exist just for its own sake.

Over time, the concept of higher education has changed slowly and evolved into one of the greatest successes of welfare state. For centuries reserved for the privileged few, in the second half of the 20th century it became the middle-class entitlement and the “most legitimate equalizer in society” (Newfield 2007). Post-Second World War development of higher education offered college degrees to the working class, both in the West and in the East. Millions of students were admitted to universities across the globe, even in regions where primary education and elementary literacy were scarce. That created a new momentum for the humankind and developed a new sense of political entitlement, power and destiny. In spite of the ideological differences, the universities – both in the East and in the West – combined traditional in-class teaching with research attending to the needs of both citizens and societies. In both worlds, the academic staff, who did not belong to the traditional elites, perceived themselves as the avantgarde of the newly industrialised (in the East) and post-industrialist societies (in the West). The principles of academic freedom were established, to some extent even in the East, along with the academic standards that were to be judged only by professional peers. Even though the universities served the society’s respective capitalist or communist powers, they were apparently to remain independent of them and focus on forms of knowledge and human advancement. The implications of such understanding were dramatic. John Kenneth Galbraith (1967) wrote that the new college-trained middle classes in the West formed a “technostructure”, which rejected the autocratic entrepreneur, saw the corporation as a social institution, denied the idea that work should
lead only to increased consumption, and repudiated the wholly economic definitions of development. Among visible symptoms of these implications in the West were the participation of academic staff and students in civil-rights or anti-war protests and their egalitarian approach. Academics and students protested in the East, but the deeper challenge to the system was the large number of college-trained non-radicals who provided technical and managerial labour to the system while questioning its ground rules.

Democratisation of communist societies, further liberalisation of higher education market, simplifications, reductions and the trend of having more people attend universities, which characterise the end of the 20th century, have created more jobs in the education sector, but have also turned education into an industry and, in doing so, they have marginalised it socially. More than ever, especially in societies that are still trying to cope with transition, the folded piece of paper and the letters after a name mean only a formality. The number of both students and higher education institutions have increased further, the ties with businesses and industries have become stronger, especially through different research schemes, and they have created what Harvard professors James Engell and Anthony Dangerfield (1998) call the “market-model university”, where departments that make, money or attract money are given priority. Increasingly, universities have become two-tiered institutions with rich and poor departments, with elite circles of academic superstars and an academic underclass. Students focus on job and career opportunities rather than on savouring academic experience, courses are tailored to particular jobs, and the wider concept of broad and comprehensive education has been replaced by practice-oriented training. Education is no longer a valuable public good and an end in itself, but an entry ticket to the professional classes and a contribution to innovation, economic transformation or “smart growth”. Graduates in social sciences and the humanities remain most vulnerable. Members of the so called “intellectual underclass” (Bonelli 2006; Cholet 2006) have middle-class origins or have had access to the symbolic capital of the upper classes, but they struggle with unemployment and live on the same income and in the same conditions as the poor.

At the same time, in Southern and Eastern Europe, the increasing number of students and universities has not yet produced higher quality. The authorities, regardless of their ideological or partisan affiliations, want higher education to be available and free for students, but they also want it to be cheap, even or especially at the cost of quality. Governments justify their measures on the grounds of economic necessity, but not all problems are related to money. Political appointments, mismanagement of available funds, failed reform attempts, confusing education bureaucratisation with standardisation, lack of regulation (especially in the private sector), grant-based public funding have led to a degeneration of universities and a devaluation of diplomas and qualifications.
CHILDREN AND VICTIMS OF TECHNOLOGY REVOLUTION

As if all of the above was not enough, the world is also changing, and so is higher education – libraries have less books, more screens, students are chasing job opportunities, university administrations are wont to view students as cash cows, allowing them to graze on other faculties accordingly.

While all other challenges push for changes and novelties, the most disruptive influence is that of educational technology. It seems that higher education is next in the line of businesses that have been turned upside down by the internet. Since 2008, many universities have made some of their courses available free of charge as massive online open courses (MOOC). The demand for mass-market education – paid for, but cheap – is growing (The Economist 2012). Some universities already enrol much more students in distance learning (DL) courses than in their campus-based versions or programmes. The technology is not cheap, it costs more than to live on campus, but students may choose to keep their jobs, rear children or decide not to move to another town or country. Online classroom technology has reached a point where it is almost as good as the real classroom. Students can interact, professors can teach from anywhere in the world. All lectures and class discussions are available in perpetuity, to be re-watched before exams or even after students graduate. The technology also facilitates specialisation and life-long learning so needed for many who will have to experience dramatic fight for jobs that simply get wiped out by different forms of innovation. Universities are no longer responsible just for the education of the youth in their twenties but even more so for their older colleagues who need to top up their qualifications and skills through more training or retraining.

Teachers have their concerns about the process. DL and MOOCs have not yet reached the quality of traditional teaching, intensive interaction does not compensate for the entire university experience, and the rate of drop-outs seems to be much higher. The pedagogy, however, is not the only concern, as some teachers fear for their own future as they might be replaced by videos of their more photogenic and communicative colleagues. While lively teachers have always attracted more students than the dull ones, the new technology allows students to share access to those they prefer and, in doing so, they marginalise completely those who seem less attractive. Many academics, especially in the United States, have already recognised the disruptive effects and articulated their criticism of the fact that the development of online education will result in further reductions of university staff and revenues and, eventually, in bankruptcy. Last but not least, the new technology will only reinforce the inequality among teachers and universities – the main beneficiaries being the star professors from top universities. The Economist (2014: 21) quotes Clayton Christensen of the Harvard Business School, who predicts bankruptcy for more than half of the universities in the United States in the next fifteen years.

Another important actor, the government, will be under tremendous pressure to halt or at least prolong the introduction and the recognition of the new model.
The rising costs of higher education have never been welcomed by politicians, but an opportunity to cut public spending, to reinforce competition among academics and to provide wider access to higher education and professional training at the same time will not go unnoticed for long. Choosing between the interests of the tenured academic elite and the benefits of the society as a whole will only get easier over time. Rather than trying to protect the old, less flexible and more costly model, the governments will soon realise that they should focus on providing adequate support for the new one, especially through providing common standards for accreditation.

Many institutions in the US and Europe are trying to come up with the most suitable answers. The process of questioning, debating, analysing, combining the two models of studying or opting for either has already started. Educational institutions will eventually have to embrace the technology and the change it brought forth, with or without DL and MOOCs; they are up against serious cost and efficiency problems, with ever smaller chances of getting any support from the government.

REGIONAL EFFORTS – COMMON SOLUTIONS

As in other places, in Southern and Eastern Europe, the demand for education can only grow, but its nature has changed as well. The universities, however, are among the most conservative institutions in this part of the world. As liberal and open-minded as they may appear to be, there is a clear-cut hierarchy, there exist prescribed standards and they are often deeply embedded in the institutional or even social memory. Nationalism and different retrograde ideologies have found their home within the walls of the once avantgarde universities and faculties. The above-mentioned trends may take some more time to come to this region, but the delay will not halt them. The much less favourable environment will pressure these institutions to change. If it does not, the institution will become marginalised and, eventually, irrelevant. There is probably no worse destiny for a university than to become irrelevant.

A great deal of university reinvention efforts in the region will require more funds and more support from the government than possible. An answer to this stand-off may lie in wisdom borrowed from another field – the field of diplomacy. The logic of multilateral cooperation is of wide general application and transposable to other fields and other circumstances. The framework of multilateral diplomacy has the potential to help re-conceptualise the manner in which the universities in the region might face these multiple challenges.

But why would the universities engage in multilateral effort? For the same reasons that impel governments to engage multilaterally. While nobody can argue against the general benefits of regional and international cooperation, the creation of a firmer higher education framework in the region introduces simultaneous and intensive
interaction between many universities and faculties from different countries with a single aim – to overcome common challenges and to compensate for the lack of (national) resources.

It is not necessary to invoke here the multilateral diplomacy context in all its theoretical complexity; a set of comprehensive yet transposable reasons will suffice. According to Walker (2004: 16), there are at least nine different reasons why governments choose multilateralism:

1. *Information gathering and pooling:* This one seems very clear and obvious. The prime motive for interaction is access to information – the experience of others and forewarning of their intentions can help higher education institutions identify opportunities as well as threats. That might be done bilaterally, if you have a reliable partner, but a network of institutions is a more effective way to pool and disseminate information.

2. *Joint projects:* Pooling resources with others is often an effective way of achieving long-term goals and developing further your own resources. The overcoming of challenges, for which no one institution or government may have resources to overcome them, may also require development of multilateral arrangements.

3. *Managing external environment:* Just as a cooperative relationship with a neighbour can provide a political environment conducive to easing bilateral problems, networks can have positive influence on the regional academic environment. If a certain regional activity raises the overall quality, it will also improve the conditions, directly or indirectly.

4. *Influencing behaviour:* We like to say and we like to think that academic institutions are independent, autonomous, but sometimes they are also self-sufficient and self-centred. Paradoxically, many of the matters concerning universities come from within the institutions themselves. Sometimes they pay a great price for their independence. A perspective provided by a wider network does not threaten the autonomy or independence, but rather helps open up and explore the options. When in trouble – reach out!

5. *Mutually beneficial deals:* Very often, the most effective way of influencing the behaviour of another party is to enter into a contractual agreement with them. This involves not only obtaining a commitment that they will do certain things, but also giving them an incentive to live up to that agreement in the form of promising what you will do in exchange. The crucial element here is that each party should believe that the benefits it derives from the deal justify the cost. This is especially the case with establishing common regional standards and mechanisms of their enforcement in academic cooperation.

6. *Helping one’s own agenda:* The agendas of institutions as well as those of individuals involved in the networks matter as well. If a project implemented within a network succeeds, the results can be very concrete and practical and may serve not only the wide purpose, but also one’s own agenda.

7. *Reactivity:* In bilateral cooperation, the initiative for a particular interaction often comes from one side alone. The other party acts, not for any particular purpose of their own, but because it feels compelled to respond. Similarly, when a network
action is initiated, many members assure their participation. Perhaps, they would not have initiated the activity themselves, but if it takes place, they feel the need to participate, contribute, and influence the activity.

8. Developing routine: A significant share of activities no longer need a particular stimulus. Many events, meetings, conferences, seminars are scheduled at annual or other intervals. The participants always find issues to discuss and, at times, they produce important and relevant conclusions, even though some of the meetings would not even have taken place if they had to have been set up as new initiatives.

9. Idealism. Cynics may doubt it, alongside all the above-mentioned utilitarian and mechanistic considerations, but idealism also rears its noble head among the purposes pursued by those involved in networks. Ideals such as peace, tolerance and human rights can also be a part of motivation of individuals and institutions and sometimes they are pursued selflessly. Lofty ideals are more frequently expressed in wider contexts. This does not make participants less realistic about their own interests. An idealistic discourse is an almost inevitable, largely incidental consequence of conducting activities within a network. The wider regional scale of network activity and the nature of many of the topics it addresses invite a positive, liberal and inclusive atmosphere. Ideals matter in higher education in that they cannot be easily dismissed. Ideals may be lofty, but they may also produce utilitarian benefits, especially if achieved. The pursuit of regional and international cooperation is consistent with a strong commitment to one’s own interests.

CONCLUSION

In sum, regional university diplomacy can, at times, be conducted for high ideals and is often dressed up as such, but primarily it is a way for institutions to try to achieve some of their objectives. Joint means can be used to address specific local problems, both directly and indirectly. One might call it “act regionally to benefit locally”. The establishment of a regional higher education infrastructure can yield concrete results because it can enable universities to mobilise the power of many in support of their own objectives.

There are few policy questions or aspects of everyday life to which improving the quality of education is not a reasonable answer. Yet, our societies, governments and more than often universities themselves remain reluctant to undertake serious reforms in that direction. The upcoming changes are inevitable and dramatic. Moreover, due to their nature, they are more than likely to be welcomed by both students and governments. Higher education institutions in the region should not focus their efforts on buying more time for the insufficient classic model, but on jointly building up resources and means to cope with new demands.
REFERENCES


THE POSSIBILITY OF NETWORKING AMONG HIGHER EDUCATION INSTITUTIONS IN THE POST-YUGOSLAV SPACE – THE CASE OF THE REPUBLIC OF MACEDONIA

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Abstract

Networking among higher education institutions (HEIs) is a requirement for quality improvement and better education outcomes. We believe that it contributes to the innovation of the current curricula and especially to the creation of joint-degree programmes. Networking provides competent feedback from trusted colleagues, which can be useful for the teaching practice. Through the processes of exchange between students and the academic staff, HEIs enhance the teaching and learning process. However, cooperation and networking among private universities in Macedonia are all but “mission impossible”, for they perceive one another only as competition. On the other hand, there exist internal and external barriers at public universities and, in practice, the latter even hesitate to enter into agreements for cooperation with private universities. We argue that the networking of HEIs in the Republic of Macedonia is possible, however, preferably, with foreign HEIs. Furthermore, it does not benefit students and their future carriers.

Keywords

Cooperation, education, networking, outcomes, quality

INTRODUCTION

Universities agree about the need for cooperation, both with domestic and foreign higher education institutions (HEIs). Excellence in higher education requires cooperative relations within an institution as well as with other institutions. International cooperation and networking have to be based on articulation relationships that
should promote the interests of transfer students and academic staff. These should be
the starting principles of HEIs’ policy as regards cooperation. However, the current
situation in the higher education sector in the Republic of Macedonia is different.

This paper analyses in broad terms the brief history of higher education in the
country, the changing policies, practices and challenges for both public and private
universities as well as for the Government of the Republic of Macedonia in terms of
the possibility of improving the quality of education outcomes. In addition to our
survey of this brief history, we present the basic premises and requirements for net-
working, and we provide a possible framework for international cooperation. This
paper illustrates the key networking principles and programmes and sets out the
prospects for the future.

A BRIEF HISTORY OF MACEDONIAN HIGHER EDUCATION: FACING A NEW
REALITY

Until 2002, higher education in the Republic of Macedonia was organised only
through public, state-owned universities and faculties. This was the time when only
two state universities existed in addition to a couple of separate faculties. In fact,
in accordance with the law on higher education in Macedonia, which was in force
in that period, only public institutions had the right to operate and provide higher
education.

This was a period when some specific problems arose concerning higher educa-
tion, due to the lack of healthy competition. The majority of public faculties func-
tioned in traditional ways, far from the Bologna standards and the needs for new
knowledge and study methodologies. Moreover, the public perception was that
higher education suffered from corruption and that it had poor standards for student
valuation. The quotas on enrolment at public universities were also very low, which
pushed large numbers of the student population to leave the country and study
abroad. In short, the new socio-economic environment and the market economy
required changes in higher education and a new reality was approaching.

The first change happened in 2002, when the first private higher education insti-
tution appeared – the so-called “MM College”. This institution was not accredited
by the Ministry of Education of the Republic of Macedonia, for such a possibility
was not even regulated at the time in the law on higher education. The MM College
claimed that they operated using a license issued by a private Russian Academy called
“Knezovi Scherbatovi”.

However, using political support (the former Macedonian President Boris
Trajkovski opened the college), they attracted quite a lot of interest from the student
population and, with their first intake, they gained around 400 students. Knowing
that the degrees obtained at this institution were not legal and that they could not
be recognised by the Ministry of Education of the Republic of Macedonia, the own-
ers of the college tried hard to resolve this issue and acquire a license. Facing the
reality and the growing public need for more opportunities in higher education, the Parliament of Macedonia made changes to the law on higher education and private investors got the opportunity to open faculties and universities.

The first private and legal higher education institution called FON (Faculty of Social Science) was legally established in 2003 as a successor to the MM College. FON was the first private faculty in the Republic of Macedonia with three majors: Bank Management, Law and Diplomacy.

In fact, the creation of the first private higher education institution was a very long process, for the Government at the time was very “sceptic” about such projects and private initiatives in higher education. The great enthusiasm of the founders as well as the professors who joined the college helped overcome all legal and administrative barriers. This was also the first HEI created without any support and further financing from the state budget.

The creation of a new private HEI in the country attracted a significant number of domestic students and, what was even more significant, it decreased the number of students who went to study abroad. As regards the students, the new HEI had an absolutely different attitude compared to public universities; as a result, a lot of prospective students were interested in studying at the Faculty of Social Science. The next intake brought a large number of new students; furthermore, it became popular in Macedonia to study at a private faculty or university. Encouraged by the growing interest of prospective students as well as by high returns, other private faculties and universities started appearing very soon.

However, this euphoria lasted only two or three years, when the government introduced a new law on higher education, with which they raised the legal and financial requirements for accreditation of a new university as well as for the operation of the existing ones. In accordance with such legal changes, a private HEI could function either as a university (with at least five faculties) or as a college for professional studies. It became more difficult to fulfil legal requirements for opening a new HEI, and this was done deliberately, to prevent new HEIs from opening.

The first private university in Macedonia was the European University – Republic of Macedonia (EURM). Its activities were recognised legally on 1 June 2005 when the EURM was accredited by the Board of Accreditation of the Republic of Macedonia. The following year was highlighted by the establishment and accreditation of other new private universities, which started to meet the growing needs for modern education in Macedonia and in the region of South East Europe.

The new private educational institutions in the Republic of Macedonia reflected a completely new and different approach to students as well as a modern study methodology, relying on the well-known traditions and best practices of European and American universities.

Private universities developed new standards for studying in the Republic of Macedonia. They focused persistently on student satisfaction and the quality of knowledge. With students, they applied the individual approach; students worked in small groups and they were in direct contact with their professors. Private universities
emphasised the students’ individual knowledge, while, at the same time, they paid special attention to teamwork and the development of the competences and skills needed for business and the public sector.

However, starting in 2007, the government created three new public universities and opened their branches in almost every town in the Republic of Macedonia. The enrolment quotas at public universities were high (23,000 students annually), while only 19,000 students practically enrolled in both public and private universities every year. The intention of the government was, and still is, to provide almost free education all around the country. A simple comparison of tuition fees – private universities charge around 2,000 euros per year, while the public ones charge only 200 euros – reveals a significant difference, which affects student enrolment at private universities. Moreover, the possibility of students studying in their own towns around the country eventually decreased the number of enrolled students at private universities, which are generally located in the capital.

This is an ongoing situation, which has had a significant impact on the quality of education as well as on the position and standard of academic staff. Moreover, it is very likely that the future will bring bankruptcy and closure of several private HEIs.

THE BASIC PREMISES FOR NETWORKING

Generally, the activities of the universities (both public and private) are in compliance with the provisions generated by the law on tertiary (or higher) education as well by other directives and policies including:

- the directive for the implementation of the current European and international trends in tertiary education;
- cooperation with tertiary education institutions in the country and abroad;
- academic quality equivalent to European and international standards.

The curricula at private universities in the Republic of Macedonia were created in compliance with the European standards for the 3+2 module of studies. Following the suggestions from the Government of the Republic of Macedonia and the Ministry of Education and Science, all universities in the country had to implement the Bologna declaration. However, although all of them, both private and public, claim to uphold the Bologna standards, in practice there is only a limited number of HEIs to do so and provide mobility for students and academic staff.

Some public faculties have also adopted a new study methodology, which was initially used only at private universities. This methodology is based on the presence and input of students throughout the entire interactive process of studying, on the inclusion of students in the scientific and research process, and on their participation in meetings, debates and seminars, where their creativity and spirit of entrepreneurship are stimulated, and freedom of thought is motivated. This model respects difference and it has introduced a new system of values in higher education.
Modularisation and the gradual development of programmes from more general to more specialised academic subjects, the proper relation between general and theoretic scientific disciplines and specific disciplines, directed and profiled according to the students’ choice through the system of elective and optional subjects, as well as the interdisciplinary and multidisciplinary approach, enable compatibility with the more developed educational systems for acknowledgement and recognition of university degrees. This was also, and it still is, a solid base for networking.

As regards possible networking opportunities, in almost all mission statements issued by universities or faculties in the Republic of Macedonia, we can notice their similarity and they all declare as their aim “to provide quality in education, equal to those of the best schools in Europe and all over the world, where students are prepared successfully to incorporate themselves in the highly competitive and ever-changing business market” (European University 2007a). Moreover, they claimed to “strive to implement continuous quality in all aspects of the university, thus being a role model to our students” (ibid). The situation with broad-based goals is almost the same:

In order to carry out this mission, the faculty has developed broad-based goals as follows:

- to have constituent satisfaction as the top priority of the school;
- to ensure continuous improvement and academic excellence;
- to have continuous improvement of the faculty products, educational products, and operations;
- to provide the faculty and the staff with an opportunity for personal growth and development;
- to provide students with quality learning experience and excellent customer service;
- to establish cooperative links with domestic and foreign educational institutions and subjects in order to foster educational development.

In addition, all HEIs declare “Educational Innovation” (European University 2007b):

In order to provide the best possible learning experience for our students we support and encourage innovative teaching and learning techniques and methods. Our objectives are:

- to promote innovation and creativity in curriculum design in order to be responsive to emerging environment change;
- to develop a framework or strategy for linking research and teaching;
- to support professional development and recognition of the academic staff;
- to enhance the employment of graduates.

All HEIs also recognise the necessity of networking and better relations with foreign HEIs. Furthermore, the government makes foreign networking obligatory through the latest changes in the law on higher education, with requirements for every university to have at least two joint-degree programmes with one of Top-500 ranked universities from the Shanghai list for Bachelor and Masters degrees. However, while “pushing” the universities (both private and public) into cooperation with
foreign HEIs, we are witnessing today a complete absence of cooperation among local HEIs in Macedonia. Cooperation and networking among private universities are all but “mission impossible”, due to the fact that they perceive one another only as competition. On the other hand, there exist internal and external barriers at public universities (such as the government directive or informal suggestions) and, in practice, the latter even hesitate to enter into agreements for cooperation with private universities. There are only a few positive examples of cooperation between public and private HEIs.

Based on the abovementioned facts, we argue that the networking of HEIs in the Republic of Macedonia is possible, however, preferably with foreign HEIs.

HEIS’ FRAMEWORK FOR INTERNATIONAL COOPERATION AND NETWORKING: AN OPTION OR NECESSITY?

HEIs should recognise the need for cooperation, both with domestic and foreign higher education institutions. Excellence in higher education requires cooperative relations both within an institution and with other institutions. International cooperation and networking have to be based on articulation relationships that should promote the interests of transfer students and academic staff.

These should be the starting principles in HEIs’ policy as regards cooperation. Universities need to promote international and intercultural understanding through academic contacts and exchanges. HEIs need a policy and they should always share the notion of internationalisation as a valuable component of modern higher education. These can also be the basic principles in establishing bilateral relations with other institutions (IACBE 2008).

Concerning cooperation with HEIs from the Republic of Macedonia, we have to underline the fact that all public and almost all private HEIs are members of the Inter-University Conference, in which all universities from the country take part. All universities from the Republic of Macedonia follow the directions of the Bologna Declaration and support all types of academic cooperation as well as educational transfers. However, as already mentioned, it is easier in practice to enter into an agreement with a foreign HEI than to do so with a HEI from Macedonia. This situation is generally a result of the fear of competition.

Generally, HEIs are interested in and they propose all types of educational cooperation and educational transfers (students, professors, lectures, literature, etc.) to similar HEIs. The majority of universities wish to establish cooperation with well-known and high-quality HEIs. We argue that articulation relationships should promote the interests of transfer students and candidates both for undergraduate, masters’ and doctoral degree programmes.

The aim of exchange programmes is to provide international education to students as well as to alleviate the process of understanding these concepts. The participants in the exchange programme have to be elected through open competition.
NETWORKING AND INTERNATIONAL PROGRAMMES

HEIs have to be fully aware of the fact that excellence in education requires that students be prepared to function effectively in a global environment. Excellence can be secured through continuous updates of curricula, cooperation with the business sector, as well as through international academic cooperation. We suggest to new private and public universities to use “best practices” of established world universities and to update all curricula and methodology in accordance with them.

Relevant and high-quality foreign books as well as internet resources have to be available to students. HEIs can also organise and invite relevant practitioners from the business sector (banks, ministries, insurance companies, consulting companies, etc.) in the country and abroad. This makes it possible to keep the curriculum up-to-date and competent, and always in accordance with the need of business and the broader public community.

HEIs need to follow up on all improvements of the business curriculum and support its internationalisation. This makes possible various types of international experiences for the faculty and students. HEIs can also use their membership in various affiliations and consortia to improve their position and make possible better connections with respected HEIs from all over the world. HEIs need to raise the number of agreements, especially with the members of Knowledge Network from Europe. However, it is useful and normal to start first with the neighbourhood and cooperate with ex-Yugoslav universities, especially due to the fact that some of them are mature and high-ranked on the list of the world’s best universities (Ljubljana, Belgrade, Zagreb). In fact, international cooperative arrangements with such HEIs are a tool for achieving better education outcomes.

The opportunity for students to spend one or two semesters in cooperative institutions abroad is crucial. Students can be engaged in international programmes, both individually and through agreements for cooperation, but there is also the possibility of using internships in companies abroad.

HEIs in Macedonia have to meet the European and world standards. At the moment, it is urgent to change the perception about severe competition between universities and, furthermore, to prevent the individual student from feeling lost in the multitude of students. Therefore, the philosophy behind universities has to be a personalised teaching approach. The ultimate task of education is to prepare students to be efficient and to accomplish successfully their goals in life.

Finally, HEIs’ objective has to be unique – to provide high-quality education to students who will be able to incorporate it in all structures of social life in the Republic of Macedonia and in the European Union.
LOOKING INTO THE FUTURE

We believe that networking can contribute to innovation in the current curriculum and especially in the creation of joint-degree programmes. Through networking, HEIs can get competent feedback from trusted colleagues, which can be useful in the teaching practice. International students’ feedback plays a key role in the enhancement of the teaching and learning process. Analysing and using student feedback is an effective mechanism for improving the course content and teaching strategies.

Promoting creativity in higher education is a highly challenging issue and still only a cross-disciplinary initiative. In an audit-driven educational system, it is difficult to maintain a motivational and stimulating, open and flexible environment (IACBE 2008). But we know that students learn best when they are motivated and inspired and especially when they have foreign competitors in classrooms. Therefore, we support learning methods that take into account the students’ different learning styles by providing a variety of coursework assignments from which the students have the opportunity to choose, such as oral presentations, problem-solving activities and online questions.

Bearing in mind that the world after graduation is not just about definitions, formulas and applications of concepts in hypothetical settings, we work to prepare our students better for their confrontation with the world after graduation. International presence can help them find jobs more easily, especially in MNC, global companies, etc. A greater number of international students creates a more stimulating environment for domestic students.

Basically, the success of HEIs depends on the jobless rate of its graduate students. The employment of graduate students is based on their learnt skills and knowledge that makes them successful in their chosen occupation and in the community. Through practical work in enterprises (internships), students can gain the necessary experience about business and industry. The academic curriculum has to be built in ways that enhance not only the students’ knowledge of a particular discipline but also their employment. HEIs should organise briefings where employers or heads of departments present their companies and the job opportunities.

Another useful tool is the implementation of e-learning environment, which helps students enhance their learning experience through a more effective use of information and communication technologies. With the e-learning programme, HEIs in Macedonia also support the e-society initiative of the Macedonian government, which has several components, like e-business, e-government, e-education, etc. This strategy is a step toward realising the economical, social and political vision of the knowledge-based society through the modernisation of education and services in the business community and industry.

As a prospective initiative, e-learning enables efficient integration of information and communication technologies in education and training systems. It focuses on several programmes relevant for the modernisation of educational and cultural communities. One of the objectives is to develop a connection with educational institutions in European countries.
CONCLUSION

We can conclude that excellence in higher education requires cooperative relations with other institutions and various international cooperative arrangements (educational consortia, international articulation agreements, etc.). Universities need to provide opportunities for international study and have articulation relationships and agreements in place to provide transfer for students and candidates for various degree programmes. In this sense, the relations among HEIs should be cooperative and synergistic. The general idea is that networking and cooperation prepare students for the global business environment. Through a significant increase in the number of students and faculties involved in international programmes, the universities will be closer to fulfilling their mission-statements and joining the group of successful leading HEIs. By means of intensive networking, HEIs from the post-Yugoslav space can join global leaders in higher education and even promote and disseminate this mode of functioning further in Asia, Africa and South-America. Otherwise, they will be local losers.

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SOUTH EAST EUROPEAN UNIVERSITY – A MODEL FOR WESTERN BALKAN UNIVERSITIES

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Abstract

The discussion will focus on the internationalisation efforts from the perspective of a sui generis university coming from the Western Balkans, and its perspective on the everlasting trend of internationalisation.

Keywords

Internationalisation, mobility, flexible use of languages, multiculturalism, capacity development

INTRODUCTION

South East European University (SEEU) was founded in 2001. It is a private, public, not-for-profit higher education institution, which consists of faculties, centres and institutes specialising in socio-economic sciences. The founders of the University are the USA and European countries, which donated 36 million euros for the start-up of the university. It is perceived as an international university because of the presence of international community in terms of, first, physical presence of international staff, mainly from Indiana University, second, financial presence of the donor community, mainly the USAID (United States Agency for International Development), and third, the nature and mission of the university.

SEEU not only offers skills, knowledge, and competencies, but also provides the venue for a culture of tolerance and respect of diversity in a democratic society; it promotes inter-ethnic understanding and ensures a multilingual and multicultural approach to teaching and research. This has been achieved by means of the policy of “flexible use of languages”. Our programmes are offered in English, Macedonian and Albanian languages.

The university offers 20 undergraduate programmes, 46 master’s programmes and 12 doctoral programmes in five faculties: Faculty of Contemporary Sciences and Technologies, Faculty of Languages, Cultures and Communication, Faculty of
Lessons Learned for the European Union

Law, Faculty of Public Administration and Political Science, and Faculty of Business and Economics. Now in its twelfth year of operation, SEEU has more than 7000 students and 3000 graduates with the highest employability rate in Macedonia. The five faculties of the university have focused much of their attention on providing programmes that are consistent with international models. All faculties maintain basic quality-assurance procedures, such as teaching observations for all academic staff, and student surveys, which are mechanisms similar to those found throughout the Bologna and North American higher education areas.

The university is also a regional pioneer in e-Learning, with an advanced learning management system and a growing availability of online instruction. The university understands internationalisation as the awareness and operation of interactions within and between cultures, implemented through its teaching, research and service functions, with the ultimate aim of achieving mutual understanding across cultural borders. Bearing in mind that we function in a dynamic and vibrant environment, we see internationalisation as key to addressing the competition from state-funded universities and attracting students with knowledge skills and attitudes relevant for the global labour market. Internationalisation at SEEU implies a holistic approach, which incorporates and makes accountable both the central body of the university (the Rector’s office) and each of the Faculties.

The internationalisation efforts in our institution have been concentrated several pillars as explained in the next section.

**CURRICULA**

Internationalisation is not a valid proposition if the curricula of the programmes are not internationalised. The internationalisation of curricula has come to be regarded as a very important indicator of the internationalisation of any university.

Bearing in mind that comparative experience shows that the majority of universities face obstacles at this level, as a consequence of the barriers put up by the staff in terms of lack of enthusiasm for new content and approaches, the SEEU management has applied a top-down approach ever since the early days, by means of cooperation with more experienced universities. The processes of curricula development and course developments were carried out by experts from the US, with Indiana University in the role of our strategic partner.

Not only the content of curricula, but also the fact that SEEU uses the model of the so-called flexible use of languages – which means that any programme in any cycle of studies can be offered in Albanian, Macedonian and English – is a solid foundation for attracting students from abroad. This year, approximately 13 % (first and second cycle studies) of SEEU students are enrolled in programmes in which English is the language of instruction. And 30 % of the students registered in the first year of BA and MA studies have enrolled in programmes offered in English. In addition, the programmes offered in the form of distance learning and the online
model using video conferencing are crucial not only for student mobility but also for staff mobility.

**NETWORKING**

**Internationalisation**

From its earliest days, SEEU has been building up a network of cooperation with other universities in the region and public universities in Macedonia. In addition, it has a strategic partnership with the University of Indiana (USA), which was sponsored by the USAID between 2001 and 2007. This partnership was focused on developing the capacities of specific departments through scholarships for postgraduate studies for our academic staff (MA and PhD) at Indiana University. Around 20% of our academic full-time staff continued their education at this university in this period. The second track of cooperation was curriculum development via the expertise provided by the Indiana University experts in specific departments such as Public Administration, Business Administration and Contemporary Sciences and Technologies. In addition, in collaboration with the Kelley School of Business at Indiana University, SEEU offers its MA students certificates for Indiana University programmes.

In 2011 and 2012, SEEU collaborated with Indiana University to offer residential programmes delivered by the IU professors on the Tetovo campus for Executive MBA students from the Indian Institute of Technology in Lucknow (India). Middle-ranking managers from India were accommodated on our campus. Similar endeavours are planned for the period between 2014 and 2016. Since 2003, SEEU has been involved in 26 TEMPUS Projects funded by the European Commission.

Within the framework of the ERASUMUS Call and Erasmus Mundus (Basiliues), SEEU has signed bilateral agreements with twelve universities, one of which is the University of Ljubljana. As a result, SEEU students from the Faculty of Public Administration and Political Science (FPAPS) could continue their education in the Faculty of Social Sciences at the University of Ljubljana for one semester.

SEEU is a partner in multilateral university agreement within the Erasmus Mundus External Cooperation Window (EMECW) (Western Balkans). In this project, mobility is foreseen in two areas: first, the exchange of students/staff for up to ten months of study in all three cycles of study, and second, full degree programmes in all cycles of study.

In this project, SEEU has 9 European partners and 12 partners from the Western Balkans. Half a dozen of programmes are offered via joint and dual degrees. I will mention only a few: There is a first cycle studies dual degree in Information Systems and Management offered in collaboration with the London School of Economics. FPAPS offers double degrees in first and second cycle studies in Community Youth Development in cooperation with the University of Jonkoping (Sweden), and joint
degree studies in the second cycle in European studies in collaboration with the Faculty of Social Sciences at the University of Ljubljana. We are working on offering more joint programs via this model using the ERASMUS MUNDUS + programme, which is going to be offered from next year onwards.

**Student mobility**

In order to encourage outward in inward student mobility, in addition to the US universities such as Indiana and the Appalachian State University, where SEEU students were offered opportunities to study abroad, another important avenue for student mobility is provided by the ERASMUS exchanges. However, unfortunately, these opportunities have not been used properly. Despite being awarded 34 Erasmus opportunities, only three students and few staff member accepted the mobility placement. This is probably due to the fact that the amount of support was fixed at a monthly payment of 350 euros, irrespective of destination.

When discussing the internationalisation of our campus, there is room for improvement. Around 25 % of our student body come from other countries (mainly from the Western Balkans, Turkey and from the Albanian and Macedonian diasporas in Western European countries). In order to achieve improvements in this key area of internationalisation, our focus are the potential students from Turkey. The university offers a preparatory year for foreign students to build on the competences in one of the official languages of instruction. In parallel, in order to accommodate the mobility of students and academic staff, we also offer distance learning and online programmes and courses.

**CAPACITY DEVELOPMENT**

**Staff**

The university staff is the crux of the internationalisation policy. The staff supplies lasting relations and alliances with external organisations. All internationalisation efforts have to be supported by the staff, who have the capacity and commitment to be involved in these endeavours.

The university has been quite resourceful in using the USAID funding, scholarships awarded by OSI, NUFFIC and programmes offered by other countries, in addition to SEEU’s own staff development funds for developing the capacities of the academic and administrative staff. Around 50 % of our staff have used the above-mentioned opportunities.

The university supports presentations at international conferences through its own research development funds. The university has a policy for financial incentive for each article published in international journals listed in the Thomson Reuters Web of Science as one of the most important indicators for the ranking of universities.
The university has stricter regulations for promotion in academic titles than it is stipulated by the local law on higher education. For instance, to be promoted to the level of Associate Professor, in addition to obtaining a certain number of points from publications, the candidate has to have English proficiency evidenced by the TOEFL score of 40 or higher and the IELTS score of 5 or higher.

Even though these policies are not accepted with enthusiasm by the academic staff, it seems that they are indispensable to the efforts of the university to improve its quality and achieve greater visibility and internationalisation.

**Institutional internationalisation**

In line with these efforts, the university utilises the approach of institutional internalisation of each academic unit. The university has an International Office responsible for coordinating international cooperation. Each academic unit (faculty) has to ensure, on a yearly basis, the engagement of at least one international member of academic staff, preferably Associate or Full Professor. Each academic unit is subject to external Programme Reviews. In this process, in three-year cycles, a team of international experts review performance, plans, resources, the quality of learning and teaching, and the quality of management. These reviews are the basis for the strategic planning process of the university and the action plans of individual academic units. The university has an International Quality Champion. In this process, on a yearly basis, an international expert carries out an analysis of potential issues from the perspective of a variety of stakeholders (students, employees, community and management). The Champion has the role of whistle-blower as regards potential problems that the abovementioned stakeholders are not able to address utilising other avenues. At the international level, the university has been evaluated a couple of times by the European University Association (EUA)’s Institutional Review Programme. The university obtained the ISO standard 9001 using this international process to support the efficiency of its administrative and management processes. Also in 2011/2012, the Ministry of Education and Science engaged Shanghai Jiao Tong University to establish a National Ranking System. SEEU was ranked second out of 19 institutions. The university uses this ranking exercise for its strategic and resource planning as well as to support the development of key areas of activity such as research and industry links.

**CONCLUSION**

In conclusion, SEEU has a strong commitment to the concepts of multilingualism, multiculturalism and quality education. Even though the increased competition and economic hardship make solutions more difficult, we believe that incorporation into the mainstream of European higher education provides comparative advantage in terms of improving the prospects for academic and student exchanges and employment opportunities for our graduates.
VII. POST-YUGOSLAV SPACE: PAST, PRESENT, AND THE FUTURE
THE EU, THE HISTORY OF POST-YUGOSLAV SPACE, AND THE PROSPECTS FOR A BETTER FUTURE

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Abstract

With the enlargement wave in 2004, for the first time, the EU accepted members from the former communist orbit in Eastern Europe, Slovenia as the first ex-Yugoslav state in 2004, followed by Croatia in 2013, while the other ex-Yugoslav republics are still preparing for their memberships. The aim of this paper is to analyse the meaning of history and historiography in the context of foreign policy and in the relationship between the EU and the ex-Yugoslav republics. Therefore, the general tasks of historiography as well as the perception of history in the Treaty establishing a Constitution for Europe are introduced. Furthermore, the article seeks to shed light on Western European perceptions of Yugoslavia and the Yugoslav dilemma with its historical legacies. Finally, a proposal for a future historical policy is put forwards: publishing a common Yugoslav or European textbook on history applying the new historiographical approach of “entangled history”.

Keywords

History of Southeastern Europe, Yugoslav history, perception of Southeastern Europe, Treaty establishing a Constitution for Europe, Yugoslavia and historical legacies

INTRODUCTION

With the enlargement wave in 2004, for the first time, the EU accepted members from the former communist orbit in Eastern Europe (Laursen 2013). Slovenia was the first successor state of the Socialist Federal Republic of Yugoslavia to join the EU in 2004, followed by Croatia, after considerable time, in 2013. All other ex-Yugoslav countries that declared integration with the EU as an aim of their policy are at different stages of reaching this point: Serbia, Montenegro, and Macedonia have gained the official status of candidates for membership, while Bosnia and Herzegovina and Kosovo are recognised by the EU for potential membership; the former have concluded the Stabilisation and Association Agreement (SAA) to prepare the EU application, while the latter have completed the negotiations on the SAA.
In the Yugoslav case, in contrast to other Eastern European countries, the EU deals not only with structural legacies of the socialist regime, but also with the consequences of the Yugoslav wars in the 1990s and later. In practice, this means that the war crimes have to be pursued by national and international tribunals such as the International Criminal Tribunal for the Former Yugoslavia (ICTY) in The Hague, the Netherlands. Furthermore, there has to be a common knowledge on the recent history and the role played by the governments, politicians, and other active groups of the ex-Yugoslav societies and the processes that led to these developments. This is the point where history, histories and historiography come into the play, not only for the EU but also for the individual countries with European aspirations. Hence, the task of this paper will be to analyse the meaning of history and historiography in the context of foreign policy and in the relationship between the EU and the ex-Yugoslav republics. Therefore, some fields of misunderstandings between the EU and ex-Yugoslavia will be described, in order to give, in the end, prospects for a “better future” – as even historians believe in a future. To avoid the impression that history is boring, a brief introduction will explain the ways and methods used by historians and how they operationalise “history” as a scientific parameter.

**WHAT DOES HISTORICAL SCIENCE DO?**

Historians usually write about relevant processes of the past and the mechanisms behind them, whether rationally committed or not, be it a long period of time or a short one. Furthermore, historians usually try to find certain peculiarities for a given period, and the reasons why one period ended and was followed by another one. The most important information pools are historical sources, comparable to databases for social sciences. They are selected and analysed critically – *sine ira et studio* (without wrath and zeal) – and then put in a broader historical or political context. Historians explain current events as not inevitable and not determined from the start. Apart from economic history, which applies quantitative measures, in most cases, historiography offers explanations on a qualitative basis.

It must be underlined that historiography is not an inelastic and fixed system, and that it does not have definite answers like “Yes” or “No”, nor “1” and “O”, as it is typical for natural sciences. Sometimes, it does not give an answer at all. Often enough the questions for historians are more important than the answers. And often enough, it is not easy to find adequate questions for certain events.

It is true, history deals with periods that may have passed a long time ago, and not seldom it deals with people who are dead now. So, what is it good for and what is the sense of writing historiography? The saying that, in order to understand the present, you have to know about your roots and your past is rather trivial; but at the same time, it is the purpose and the essence of writing history. It is easy to stipulate that past events have a certain or even a large influence on present actions, but that is exactly what social scientists want to demonstrate when using the scientific approach of
path dependence. Recently, economic researchers have also begun to understand that “history matters” and to appreciate the results of historical studies. With historical knowledge, they are able to find explanations for the long persistence of institutions taking roots in the Middle Ages or even earlier.

History also has a political component that must not be underestimated: often enough, a state legitimises itself by pointing at historical legacies, or even by inventing such legacies. Every state has a certain culture of remembering its national past, its heroes, battles, events or similar aspects by inaugurating state celebration days, museums, monuments, and memorials. As historical facts can be misused or instrumentalised for negative purposes, it is even dangerous to neglect one’s own national history or the history of other nations.

Furthermore, history is a vital element of intercultural and international communication. Only when you know about the antagonisms of a person, a nation or a state, you may know how it thinks, and then you can deal with it much more easily. History never repeats itself in the exact way it had occurred before. So it is difficult to postulate that we have to learn from history. What historians can do is take into consideration past phenomena, without being able to foresee the future or to predict reactions by analysing similar events of the past. Generally, however, historical ties are often a strong component of foreign policy of a state, and this was, and certainly still is, the reason why the EU has, on several occasions, underlined prominently the importance of history.

EUROPE WANTS TO HAVE A HISTORY

From the very beginning, the EU has considered itself a multinational institution, living off the diversity of its member states and drawing its identity from the cultural heritage of its peoples. Therefore, the Treaty establishing a Constitution for Europe, as signed in Rome on 29 October 2004, first focuses on the diverse heritage of Europe. The Preamble stipulates (Treaty on European Union: Preamble):

DRAWING INSPIRATION from the cultural, religious and humanist inheritance of Europe, from which have developed the universal values of the inviolable and inalienable rights of the human person, freedom, democracy, equality and the rule of law [underlined by the author],

BELIEVING that Europe, reunited after bitter experiences, intends to continue along the path of civilisation, progress and prosperity, for the good of all its inhabitants, including the weakest and most deprived; that it wishes to remain a continent open to culture, learning and social progress; and that it wishes to deepen the democratic and transparent nature of its public life, and to strive for peace, justice and solidarity throughout the world /…/.
Next, the Preamble states that it recognises history as a value and explains that the peoples of Europe are determined to overcome their former antagonisms, while remaining proud of their own national identities (ibid.):

CONVINCED that, while remaining proud of their own national identities and history, the peoples of Europe are determined to transcend their former divisions and, united ever more closely, to forge a common destiny [underlined by the author],

CONVINCED that, thus “united in diversity”, Europe offers them the best chance of pursuing, with due regard for the rights of each individual and in awareness of their responsibilities towards future generations and the Earth, the great venture which makes of it a special area of human hope /…/.

There is a second reference to “history” in the draft. In Section 3 under Article III-280, history is again connected with culture (ibid.: Sect. 2, Art. III-280):

1. The Union shall contribute to the flowering of the cultures of the Member States, while respecting their national and regional diversity and at the same time bringing the common cultural heritage to the fore.

2. Action by the Union shall be aimed at encouraging cooperation between Member States and, if necessary, supporting and complementing their action in the following areas:

   (a) improvement of the knowledge and dissemination of the culture and history of the European peoples [underlined by the author];

   (b) conservation and safeguarding of cultural heritage of European significance;

   (c) non-commercial cultural exchanges;

   (d) artistic and literary creation, including in the audiovisual sector.

3. The Union and the Member States shall foster cooperation with third countries and the competent international organisations in the sphere of culture, in particular the Council of Europe.

4. The Union shall take cultural aspects into account in its action under other provisions of the Constitution, in particular in order to respect and to promote the diversity of its cultures. /…/.

So the EU does not only perceive itself as an economic institution. The Preamble recalls, among other things, Europe's cultural, religious and humanist heritage, it claims to have an obvious interest in history, it acknowledges a historical heritage of the member states, and it also highlights the cultural co-operation among member states and non-member states.

The question is whether or not this is the right understanding for the post-Yugoslav space and if this idea also fits Yugoslav history. I argue that, at the moment, this EU aim is not far-reaching enough for the ex-Yugoslav republics. The greater problem is that there exists a “two-speed historiography” in the Western and Eastern part
of Europe, which is a consequence of the socialist era, but not only of that: while in Western Europe, after the Second World War, historians could write in a pluralistic and open manner, in Yugoslavia, only after the end of socialism, an independent historiography was possible, notwithstanding the hard conditions during the Yugoslav wars of the 1990s and later. Admittedly, in the socialist Yugoslavia, historians could act in a more open way than in the Soviet Union, for instance, because censorship was not as harsh as it was there, but overall, the Marxist doctrine here and there dictated the research topics: class struggle, the vanguard of the workers and the Yugoslav partisan movement, while aspects of violence and terror, of the repression of political opponents, of other failures of the political system, of individual experiences and of anything that, even on a small scale, criticised the regime were not allowed for historiographical (or any other) analyses. So historians in the ex-Yugoslav republics still have to make up for the lost years and they have to look for the untouched areas of the past that are still to be covered.

Moreover, historiography in the ex-Yugoslav republics must have an additional focus, that of the war crimes and their responsibilities leading to the break-up of Yugoslavia. This is a social and political task for the historians in the post-Yugoslav space, and it should be fulfilled independently from politics, politicians, and national interests. So the underlying mission of ex-Yugoslav historiography is to provide for social justice concerning the past of societies. To be sure, this is a heavy burden and a complex task for the historians who have to respect national antagonisms and sensibilities as well as the national interests of their governments. This might not be a short-term goal, but in a not so distant future, it will be worth it. It would foster the credibility of the ex-Yugoslav republics abroad to participate in the building of a common European house. The most convincing action the ex-Yugoslav republics could undertake would be to enhance their cooperation in the field of Yugoslav history. This means that – apart from individual collaboration that already exists today – a collective publication could be taken into consideration, e.g. on the wars in Yugoslavia throughout the 20th century, which is a very sensitive topic and needs to be carefully dealt with from all sides.

Such an idea could be inspired by the project of renowned historians from several countries in Southeastern Europe – the “Joint History Project (JHP)”:

an on-going, social, political and educational initiative that began under the auspices of the CDRSEE (Centre for Democracy and Reconciliation in Southeast Europe, a non-governmental, non-profit organisation) in 1999, aiming at an informed, significant and realistic change in historical research and education in all countries of Southeast Europe. The overarching goal is to give teachers, students and everyday citizens a voice for influencing public sector reform. (CDRSEE 2014)

The project has already produced several solid history-teaching materials in eight languages while also training teachers, and collaborating with the media.

Another suggestion that could engender fruitful results is to establish an “ex-Yugoslav” commission for schoolbooks that should help diminish foe images. This commission could work on common texts as a matrix for schoolbooks avoiding
stereotypes and one-sided judgements regarding other nations by using a multi-national approach. We do have experience available regarding the commission for schoolbooks in Germany and France, which led to the publication of a common history book published in three volumes: *Histoire/Geschichte – Europa und die Welt seit 1945* (published in 2006, Leipzig: Ernst Klett); *Histoire/Geschichte – Europa und die Welt vom Wiener Kongress bis 1945* (published in 2008, Leipzig: Ernst Klett); *Europa und die Welt von der Antike bis 1815* (published in 2011, Leipzig: Ernst Klett); in French: *Histoire/Geschichte – L’Europe et le monde depuis 1945* (published in 2006, Paris: Nathan); *Histoire/Geschichte – L’Europe et le monde du congrès de Vienne à 1945* (published in 2008, Paris: Nathan); *L’Europe et le monde de l’antiquité à 1815* (published in 2011, Paris: Nathan). The sense of this enterprise that had been confirmed by the German and French governments at the highest political levels is to contribute to the rapprochement of the younger generation in Germany and France by finding a common interpretation of the past with its conflicts and phases of collaboration. The next generation is to appreciate the standards of collaboration reached by their predecessors and take it as a basis to shape the future. If ex-Yugoslav historians already now – and not half a century after the Second World War like in the German-French project – could develop similar ideas backed by leading politicians within their countries, this initiative could be a strong sign for their real interest to confront the antagonisms and failures of the past and to do this in an open atmosphere.

Work needs to be done by ex-Yugoslav historians, but also by historians in Western Europe with regards to the image of Yugoslavia.

**WESTERN EUROPEAN PERCEPTIONS OF YUGOSLAVIA**

Yugoslavia was never *terra incognita* for Western Europeans; it was present on their mental maps even during the high times of the Cold War. The reasons are quite obvious: Yugoslavia was not that far away from the West geographically, and Yugoslavia had had open borders during Titoism. There were vital connections between Yugoslavia and Western Europe with tourists on the one hand and with Yugoslav workers that went abroad as guest workers on the other hand. Nevertheless, although the borders were open, the contacts that were established in those times were rather dysfunctional; the visitors from the West perceived Yugoslavia only superficially. This was due to two reasons. First, in his time, Tito was a brilliant politician, who knew perfectly well how to hide the real conditions his country was facing, where a one-party system and a non-democratic structure were prevalent, where opponents were sent to prison and where human and civil rights were violated. Visitors from abroad did not understand and did not want to understand the political restrictions in Yugoslavia. Western politicians rarely had an interest to reprimand Tito and ask him to take care of the individual and collective civil rights in his country. For them, it was a priority that Tito was not part
of the Warsaw pact. And because of this reason, there was scarce criticism of the political system under Tito coming from abroad.

The second reason is that, normally, in Western countries, common knowledge about Yugoslavia was and generally still is rather limited. This begins already in school. For example, in history textbooks in Germany, only few aspects of the history of Southeastern Europe are promptly mentioned. These are the Byzantine empire in the early Middle ages, and then mostly wars: the national movements in the 19th century against the Ottomans, the Balkan Wars in 1912/13, the shots of Sarajevo in 1914, and then the Yugoslav Wars in the 1990s. (Strangely enough, the Second World War in the Balkans is hardly even mentioned. Helmedach 2007: 112). In French schoolbooks, Yugoslavia and the Balkans are obviously used synonymously with the wars there (Rutar 2007: 169); British history textbooks seem to forget about the Balkans completely (Ihrig 2007: 139). The consequence of the concentration on war topics in history is the impression that, in Southeastern Europe, war and military conflicts were predominant throughout the centuries and were almost part of everyday life. For Maria Todorova, the reason is the positive self-image that Western Europe gains by differing from the perceived darkness in Eastern Europe: the Balkans “have served as a repository of negative characteristics against which a positive and self-congratulatory image of the ‘European’ and the ‘West’ has been constructed”. The Balkans are “left in Europe’s thrall, anticivilization, alter ego, the dark side within” (Todorova 2009: 188). So the stereotypes of the Balkans are still being reproduced today. And they produce a dilemma for the historical legacies of Yugoslavia.

THE YUGOSLAV DILEMMA OF HISTORICAL LEGACIES

The aphorism attributed to Winston Churchill that the “peoples of the Balkans produce more history than they can consume, and the weight of their past lies oppressively on their present”\textsuperscript{147} is good for historians as a motive for endless work, but negative for Southeastern Europe: the region has more history than it can bear. Moreover, it has an image that is often characterised in a rather superficial manner as negative and violent. The image of the Balkans as the “powder keg” of Europe is telling, and it leaves aside the fact that Southeastern Europe was – and, to some extent, still is – a centre for competing Western (and Eastern) European interests.

Despite that, from a Western European perspective, Southeastern Europe has a special identity, as the region is imprinted with some peculiar historical legacies that had not existed in the West, that is, the Byzantine, the Ottoman, and the communist legacies. They are often, rightly or not, declared to have negative effects on

\textsuperscript{147} See footnote 5 in the transcript of the lecture by Sir Adam Roberts, President of the British Academy, on 7 June 2011. Available at: http://www.gresham.ac.uk/lectures-and-events/reinventing-the-wheel-the-cost-of-neglecting-international-history (30 April 2014).
Lessons Learned for the European Union

the historical and political developments of the states in Southeastern Europe, and precisely because of these legacies, the “Europeanness” of Southeastern European countries would be deficient.

Other Western European politicians and historians blame the lack of Europeanness in some Southeastern European countries on certain “cultural circles” present in the Balkans: Samuel Huntington had even identified a cultural divide, a “clash” of cultures with Byzantine cultural traditions. Others believe in the obscure times that have influenced the collective behaviour of the peoples in the Balkans. To cite the famous American diplomat and historian George Frost Kennan (1904–2005), who wrote in the reprint of the Carnegie Endowment report of 1914 about the Balkan Wars in 1912–1913:

/…/ the strongest motivating factor involved in the Balkan wars was /…/ aggressive nationalism. But that nationalism, as it manifested itself on the field of battle, drew on deeper traits of character inherited, presumably from a distant tribal past: a tendency to view the outsider, generally, with dark suspicion, and to see the political-military opponent, in particular, as a fearful and implacable enemy to be rendered harmless only by total and unpitying destruction. And so it remains today. (Kennan 1993: 11 of introduction).

Another example is the British Prime Minister John Major addressing the House of Commons in 1993. Here, he explained the war in Bosnia and Herzegovina by the reappearance of “ancient hatreds”. And the consequences of these hatreds, in conclusion, triggered the fighting in Bosnia and Herzegovina (Malcolm 1996: XX).

These and similar remarks ignore historical facts. They even excuse the real agents responsible for the military conflicts, and they still contribute to the Western stereotypes of Southeastern Europe and the ex-Yugoslav republics. Therefore, the dilemma of perception continues. In order to find a way out of this dilemma, first of all, historiography has to provide reliable and solid text books, but then, the next step might be to apply a new historiographical approach, that is, to see the history of nations as an entangled history.

**A BETTER YUROPE: ENTANGLE YOUR HISTORY!**

It is not particularly useful to think of impermeable and impenetrable cultural frontiers among nations in the Balkans. It is much more useful and meaningful to think of a mutual acculturation of the peoples in the Balkans, and of contiguous and interpenetrating layers of connections between them. For such an approach, the new method of “entangled history” or “histoire croisée” seems to be quite adequate. It was conceptualised by Michael Werner and Bénédicte Zimmermann (Werner and Zimmermann 2004, 2006) who provided a new view on transnational history without tying it to a particular period of time or domain. The aim is to overcome the national perspective in global history, to analyse transfers and mutual influences of certain aspects like nations, regions, or the mechanisms of reception from several
points of observation. This concept seems to be quite fruitful and convincing for Southeastern Europe, where for centuries more peoples, more states, more languages, more confessions, more ethnic minorities, more cultures, and more histories than in the rest of Europe have lived and existed together in a relatively small territory, side by side and/or fighting each other. The ethnic and national mixture here makes it difficult to describe the history of one nation separated from other ones without taking into account the influences from outside. In this context, two publications are worth mentioning. The first one concerns Southeastern Europe explicitly, with the title *Entangled Histories of the Balkans* (Daskalov and Marinov 2013–2014), the first volume of a trilogy on “Nations and National Ideologies in the Balkans” and on “Language and Language Policies in the Balkans”. Here, the authors treat the modern history of the Balkans from a transnational and relational perspective in terms of shared, connected and as-if entangled histories, transfers and crossings. This does not mean that they harmonise the past at any cost or that they exclude aspects of violence, but they explicitly challenge national perceptions by applying a more complex approach.

The second book concerning the broader, European view is a history of Europe: *Histoire de l’Europe* (Delouche 1992). Although it was published in 1992, long before the method of entangled histories was invented, it represents a good example of depicting European history as a common effort of individual and collective action. It resulted from the cooperation between different European publishers, written by 15 authors from 13 European countries. While the authors miss a clear concept for the further development of Europe, they study Europe’s past as a contribution to Europe’s future that they consider quite uncertain in the light of permanent technological and global changes. The book seeks to underline Europe’s diversity and plurality, starting from ancient times until the turn of the millennium. The authors characterise European history as a network of mutual interactions, alliances, and antagonisms. The book is rather inclusive, reaching from Western to Eastern Europe, and Yugoslavia is an integral part of it: not only Tito’s non-alignment position, but also the so-called Balkan Wars in the 1990s leading to the break-up of Yugoslavia.

Thus, historiography is able to change its perspectives, and this might contribute to changing the image of the ex-Yugoslav republics as well. And why should there not be a European history and/or a Yugoslav history written by a consortium of ex-Yugoslav authors? At the moment, the conditions to do so are present. Of course, such a project will not diminish the inner problems and the structural difficulties of the countries in Southeastern Europe. But it will surely help to stir up the confidence in the leading forces within the EU candidates and members to take up their responsibilities in a serious work on the national past and the willingness to discuss their own political mistakes. This is nothing less than an indicator of the state of democratic development of a country.
CONCLUSION

If we look at the Treaty for the Constitution for Europe, there seems to be a rather pragmatic answer to the question: “What is Europe?” It talks about traditions, cultures, and history, but at the same time, it leaves enough space and time for further development. This development will succeed, the closer the ties between nations in Europe get, the more confidence they gain in one another. Historiography has a more important role in this context than one might expect. A common and reflected interpretation of national histories and the history of Europe might contribute to this goal, more than a quickly written article for newspapers. If the states in Europe and the post-Yugoslav republics are ready to overcome their national antagonisms and ethnic contradictions of their past – this might be a historical policy – for example, writing together a textbook on Yugoslav and/or European history, they would thus sign for a common future. This would be an act of true historical significance, because it would help guarantee the most important aspect of “Europeanness”. And this would be nothing short of peace within and among the nations, which is the true basis for a prosperous future in Europe.

REFERENCES

In times of crises, a flood of bad news coming from the world, from EU and from the Balkans, good news is this book. It gives us new insight to cooperation among the countries of the region which has been for many years neglected in prevailing aspirations of all members of the ‘Balkan’ club for EU membership. Thanks to editors we have an impressive collection of papers offering new insights in the development in the region in vast diapason of issues covering many countries of the region as well as different issues from foreign policy to agriculture and institutions and EU as a global actor for instance.

As editors of this book noted, “due to their similarities and mutual ties, post-Yugoslav countries have much to learn from each other’s experiences with European integrations. Apart from that, in their experiences, there are lessons for the EU to take in order to get through the current fatigue in its policies towards the Western Balkans.” I would like to emphasise this last part of the lessons since one of the threats EU is facing is disintegration. UK is threatening to leave the Union. Instead of development convergence we see divergence. Even though it seems that economic reasons for staying in could prevail they were not strong enough to keep Yugoslavia together, although many thought so. Therefore EU should look into Yugoslav experiences to address on time why dissatisfaction of the population in many countries, in fact majority of members with the EU integration, and what were the reason for the disintegration of the Yugoslavia. Some seeds of such disintegration factors can be found also in EU; erosion of the position of smaller new members, divisions on the North and South, less and more developed parts of the Union and all conflicts thereof.

From the review of the book, written by prof. dr. Marjan Svetličič.