



# Security Sector Reform in the Western Balkans: An Economic Perspective

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## Abstract

Security sector reform is a fairly new concept in the world of political development. Security sector reform often requires the development of various agencies and actors within the government, prompting high costs as these developments occur. However, in light of the recent economic crisis, there has been little economic growth in the Western Balkan countries. Despite this lack of growth, security sector reform has continued to occur. This paper seeks to answer to what extent each country's economic development (or lack thereof) has impacted their security sector reform. Using the definition established by the OECD, this paper analyzes security sector reform in three countries: Bosnia and Herzegovina, Serbia, and Greece. The first two countries analyzed are current analyses, while the third is a historical analysis of Greece's security sector reform including the initial security sector reform after democratization. The analysis is completed using the four sectors of security sector reform listed in the OECD's definition – core security actors, security management and oversight bodies, justice and law enforcement institutions, and non-statutory security forces – to measure growth in the security sector. In each country analyzed, the growth in these sub-sectors of security reform will be compared to the growth or lack of growth in that country's GDP to understand how security sector reform is financed, and if there are elements outside of a country's GDP that impact how they fund reform of their security sectors.

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## Introduction

The Western Balkans are slowly gaining stature on the international level as they develop economically and politically. Since the fall of the Republic of Yugoslavia and the war in the Western Balkans, the former Yugoslav republics have achieved varying levels of development – some have developed enough to join the European Union, and others have significant problems to address before progressing as a stable country in the eyes of global powers such as the European Union or the United States. One aspect of development that is particularly vital to the stability and growth of each country in the Western Balkans (and in any country) is security sector reform, as it is what allows a state to remain stable economically, politically and socially by providing physical security and security of civil and economic liberties. The Organization for Economic Co-Operation and Development (OECD) defines security sector reform as “security from disorder, crime and violence [which] is fundamental for... sustainable economic, social and political development” (OECD 2007, 21).

Security sector reform can be achieved through different means and different security mechanisms, but it is vital that the necessary sectors to support a secure country can be funded. With that in mind, this paper seeks to understand how stunted economic development in the Western Balkans has impacted their ability to fund security sector reform. The expectation is that the most impacted area of security sector reform in the Western Balkans is in justice and law enforcement, and that the lack of economic development in the Western Balkans has led to security sector reform being funded by external actors. To understand the relationship between economic development and security sector reform, this paper will first look at the surrounding literature to define what scholars believe regarding security sector reform and how to finance it. Then, this paper will analyze the security sector reform in several countries in order to examine how each country’s economic development (or lack thereof) has impacted their security sector reform. Finally, the paper will draw conclusions regarding both how each country finances their security sector reform as well as why it is significant to understand the development of the security sector in Western Balkan countries.

## Literature Review

Before addressing the schools of thought regarding how to best approach security sector reform as well as how to best finance it, it is first necessary to more specifically explore the concept of the security sector. According to the Organization for Economic Co-Operation and Development, the security sector includes four main aspects:

**“core security actors** (e.g. armed forces, police, gendarmerie, border guards, customs and immigration, and intelligence and security services); **security management and oversight bodies** (e.g. ministries of defense and internal affairs, financial management bodies and public complaints commissions); **justice and law enforcement institutions** (e.g. the judiciary, prisons, prosecution services, traditional justice systems); **and non-statutory security forces** (e.g. private security companies, guerrilla armies and private militia)” (OECD 2007, 22).

These four areas of the security sector work together to provide security from the disorder, crime and violence which threaten the law and order of a democratic society. The elements of the security sector vary in strength depending on the country whose security sector you are looking at, however it is agreed throughout the literature that the OECD definition of security sector reform is accurate in including the four areas listed.

With a better understanding of the makeup of a security sector, it is possible to move on to the ideas in the literature regarding how to reform the security sector. There is wide consensus that initial security sector reform occurs when a country is still developing, and is simply an area of the public sector much like any other in a developed, functioning democracy (Abramson and Williams 2006, 4). Again relying on the OECD, as they are an intergovernmental organization whose expertise is referred to often in academia surrounding economic development, reform is defined specific to the security sector as “transformation of the security system which includes all the actors, their roles, responsibilities and actions, so that it is managed and operated in a manner that is more consistent with democratic norms and sound principles of good governance, and thus contributes to a well-functioning security framework” (Abramson and Williams 2006, 4). Within this definition, though, are contrasting recommendations among scholars of how to best approach this transformation.

Often the initial approach to reform when it emerged as an important part of development was single-issue reform, in which the actors involved in security sector reform tend to focus on

one sub-sector, often solely military development (Hendrikson 1999). However, as security sector reform has grown as a field, the overwhelming majority of scholars support holistic reform over single-issue reform. The whole of government approach to security sector reform, founded by Bogdanor, argues that the best way to reform the sector is to approach reform holistically, using insights from “other social sciences rather than just economics” (Christensen and Lægheid 2007, 1059). This approach allows for influence in reform by political and administrative leadership, allowing for accountability, according to Bogdanor. Hood, another scholar in the field, would agree, arguing that when whole government measures are forgone it leads to devolution of the sector because the political and administrative leaders are blamed for any problems in the sector regardless of their influence – giving them the influence appropriate that blame by turning it into accountability because the same people blamed for failures in the sector are the ones influencing the reform (Christensen and Lægheid 2007, 1060).

These opposing approaches to reform as either single-issue reform or holistic reform in the security sector are dependent on many aspects of the government implementing them, from the influence of outside actors who may support more holistic reform to a budget which may make holistic reform impossible. In the eyes of scholars, the choice seems clear for governments – holistic reform is supported by scholars and should be the correct choice in order to achieve the most effective and permanent reform. However, the methods of financing security sector reform have a large impact on the type of reform that occurs. The scarcity of funding means that even in holistic approaches to security sector reform, there is a need to prioritize what areas are going to receive more funding, by extension prioritizing what areas develop more. In addition to prioritizing based on funding, the funding for security sector reform often comes, at least in part, by external actors, as the brunt of reform to the sector is occurring while a nation is developing, not after it is already established (Brzoka 2006, 10). The involvement of multiple international actors, ranging from international organizations to development donors to governments of individual states who have a vested interest in the development of the country at hand (Brzoka 2006, 10). This international support, which is often vital to the fast and efficient development and reform of the security sector, often comes with specific mandates and projects that direct the funds towards certain sub-sectors.

Even after receiving funding for security sector reform either through its own government or via donors and external actors, a country must, as stated, prioritize which areas of the sector

will receive more funding. The overarching theme in the literature is funding public sub-sectors within security, such as military or judicial reform. These are vital areas of reform, and no scholar has argued that the public sector should be entirely ignored when focusing on development and security sector reform. However, there are some scholars, such as Abramson and Williams, who think that there should be emphasis on reform of the private sector because “people in the developing world have come to rely on private providers for their day-to-day security needs” (2006, 2). Others see private sector reform within the security sector as vital to the success of the reform at all, because “typically, governmental and multinational donors do not have a ‘standing army’ of serving civil servants and military and security officers who are equipped with both technical and consulting skills and are willing to deploy (often at short notice) to support capacity building” (Martin and Wilson 2010, 314). These disagreements among scholars have left a lot of room to question the successes and dangers of different approaches to financing security sector reform, and have raised an interesting question as to how a nation finances security sector reform in a slow-growing economy.

## Method and Case Studies

To study the stunted economic development in the Western Balkans and its impact on security sector reform, this paper will use a pattern matching approach. The observed pattern is the weakness in the Western Balkan economies since the financial crisis of 2008 (specifically 2009-2016), which has hindered their ability to achieve growth levels and structural stability in their economies to match those they were achieving before the crisis. The expected pattern is that security sector reform in the cases studied would have slowed due to the lack of economic growth and because of structural problems within the economics of the Western Balkans.

There are several indicators which will provide evidence when examining these countries to look for the expected pattern. To measure the development of security sector reform, the indicators will be growth in each area of the security sector defined by the OECD. That would mean an increase in core security actors, an increase in security management and oversight bodies, an increase in justice and law enforcement institutions and an increase in non-statutory security forces. To measure economic development of the chosen countries, the indicators will be change in GDP (in percentage). Additionally, the qualitative indicator of structural reform as

measured by the European Union will demonstrate the stability of the economy moving forward so that the cases can support their security sector reform. It is worth noting here that cyber security is not included as a sub-sector of security sector reform. This is done for several reasons: first, the difference in technologies and cyber security between the time frames of the first two countries' reforms is very different from that of the third. Second, security sector reform is used to strengthen the elements of government that allow for good governance, and cyber security falls into a more technical, less critical aspect of security when it comes to the relationship between the government and its citizens (OECD 2007).

The countries selected are Bosnia and Herzegovina, Serbia, and Greece. These countries are all located in the Western Balkans and were all affected by the economic crisis, and additionally are all at different stages in security sector reform. The three selected countries are ideal for comparison because between the three countries there is a potential candidate to the European Union (Bosnia and Herzegovina), a candidate to the European Union (Serbia) and a member of the EU (Greece), which can help in understanding the development of security sector reform with financial assistance from the EU, as many Balkan states are either members or potential members of the EU. Additionally, analyzing Greece from a historic perspective may provide insight into the steadiness of reform in security sectors, and could provide insight as to what can be expected in Bosnia and Herzegovina and Serbia. This is a particular point of interest, as the Western Balkans are potential members of the European Union, and as such it is important to understand how the EU invests in these countries.

## Analysis

### Bosnia and Herzegovina

Bosnia and Herzegovina is the least developed of the selected countries. After the dissolution of the Yugoslav Republic, war broke out among ethnic Serbs, ethnic Bosnians and ethnic Croats, all vying for control of Bosnian territory. After years of war, the Dayton Accords were signed to end the fighting and establish the government in Bosnia and Herzegovina (Clinton 2017). Since the Dayton Accord was signed, the government has consisted of rotating presidency based on ethnicity in order to calm tensions between the Bosnian Muslims, Bosnian

Croats, and Bosnian Serbs following the war (Clinton 2017). Due to the recent conflict, Bosnia and Herzegovina has had less of an opportunity to develop than other countries in the Western Balkans or any other country analyzed. Additionally, Bosnia was less economically prosperous than some of its fellow republics within Yugoslavia, making it more difficult for Bosnia and Herzegovina to develop (Clinton 2017). As far as measuring security sector reform, Bosnia and Herzegovina is expected to have smaller amounts of reform because of the instabilities still associated with its government.

The first indicator of a security sector reform, an increase in core security actors, has a limited presence. The military structure of Bosnia and Herzegovina was only established in 2006, and has been largely unchanged since it was established. The presidency of Bosnia and Herzegovina, which rotates between the three major ethnic groups in the territory, establishes the ethnic makeup of the military, meaning that it is a delicate issue to change the size of the military because that alters the ethnic makeup as well (Bosnia and Herzegovina 2015). As far as police force goes, the number of police increased in 2008, when Bosnia and Herzegovina added new laws at the request of the European Union. The 2008 reform “provided for a number of new state-level structures, such as the Directorate for Police Coordination Bodies, which would generally provide for communication, cooperation and coordination among the police bodies of Bosnia; the Agency for Forensic Examinations and Expertise that would work on forensic aspects of police work such as DNA analysis, fingerprints analysis, biological examinations, to name a few; the Agency for Education and Advanced Training of Personnel, which would harmonize police training programs and develop new ones; and the Agency for Police Support that would provide for wider support to Bosnia’s police institutions for a number of technical, legal and financial aspects” (Padurariu 2014). These reforms mark an increase in security based on core security actors by providing more support to police to be able to stop violence from occurring and supply evidence of criminality, which intends to deter against crime. This increase in police and government bodies indicate the increase of core actors in security sector reform.

The second indicator of security sector reform is an increase in security management and oversight bodies (e.g. ministries of defense and internal affairs, financial management bodies and public complaints commissions). Bosnia and Herzegovina’s main security oversight bodies were established in 2003 with the support of the European Union. Since then, the Bosnian government set up an Institution of Human Rights Ombudsman as a main oversight body of the security

sector, though without a mandate and without the necessary power to implement its recommendations (ISSAT, 2017). The largest step in oversight bodies for security sector reform since the financial crisis was the creation of the EU Special Representative position in 2011, whose role is to support the Ombudsman for Human Rights. This was meant to be a scaling down of international reform in Bosnia and Herzegovina, but the position was ineffective as politicians resisted the oversight body (ISSAT 2017). This is a technical increase in security oversight bodies, though the increases were ineffective and did not result in an actual increase in reform because politicians resist the oversight bodies in place.

The third indicator of reform is an increase in justice and law enforcement institutions (e.g. the judiciary, prisons, prosecution services, traditional justice systems). The Bosnian Ministry of Justice was established in 2003 at the end of the initial reform stages of 1998 to 2003 when Bosnia and Herzegovina completed their initial judicial reform. However, laws and judicial procedures have not been harmonized, and there is no superior judicial authority to enforce the constitution (ISSAT 2017). This is one step that is vital for Bosnia and Herzegovina to achieve full reform of their security sector, and has exacerbated the problem of corruption present in the country (ISSAT 2017). The reform present in the judicial area has been minimal since 2003.

The fourth and final indicator of security sector reform is non-statutory security forces (e.g. private security companies, guerrilla armies and private militia). The beginnings of private security in Bosnia and Herzegovina as official, private corporations occurred with Bosnia and Herzegovina's transition to a market economy from 1996 to 2002. However, the most recent update to private security legislation, passed in 2008, has yet to completely harmonize standard legal practice of private security in Bosnia and Herzegovina, which has inhibited the ability of the sector to represent itself positively to the public (Krzalic 2009, 23). This has led to an image of private security as supportive of corruption, further complicating the ability of Bosnia and Herzegovina to promote transparency as they democratize (Krzalic 2009, 10). While scholars agree that the private security sector is a growing force in Bosnia and Herzegovina, the lack of regulation takes away from private firms' ability to successfully make Bosnia and Herzegovina more secure, as there is no standard regulation for them (Krzalic 2009, 14). Overall, we see slow growth in multiple areas of the security sector, indicating limited security sector reform in Bosnia and Herzegovina.



Having analyzed the recent developments in the country's security sector, it is possible to analyze whether Bosnia and Herzegovina's economic growth matches its security sector reform. Scholars agree that the economic growth in Bosnia and Herzegovina does not reflect the growth of the security sector, especially when highlighting the growth of judicial reform and police structures. Before the financial crisis in 2008, Bosnia and Herzegovina had a GDP of throughout the financial crisis. This level of growth indicates an inability on the part of Bosnia and Herzegovina to fund their own security sector reform (Perdan 2007). Despite this lack of growth, there has been growth in the security sector, raising the question of what international actors have largely supported Bosnia and Herzegovina's security sector reform.

When the Dayton Agreement was signed, it provided a framework for international actors with specific mandates to stay involved in the post-war reform process in Bosnia and Herzegovina (Busterud 2013, 342). This was necessary at the time, as the country had little in experience or resources to help them rebuild following the war. However, it has left Bosnia and Herzegovina in a situation where international actors are driving the security sector reform process rather than its own politicians or government. The largest example of international involvement in Bosnia and Herzegovina is the European Union. The EU signed a Stabilization and Association Agreement with Bosnia and Herzegovina in 2008, which is considered the first step in potential candidacy to join the EU. However, that also means that the EU, rather than the Bosnian government, is providing a lot of the motivation to improve the security sector in Bosnia and Herzegovina, and it is even demonstrated through examples seen earlier in the paper that some of the main motivation for reform that has occurred was a push given to Bosnia and Herzegovina by the EU. Other actors include NATO, the Ombudsman for Human Rights and the Organization for Security and Cooperation in Europe, all of whom provide support and funding to different areas of security sector reform. In sum, the country is unable to fully finance the necessary security sector reform alone, and are therefore reliant on the intervention of international actors to fund it.

## Serbia

While it also gained independence with the breakup of Yugoslavia, Serbia has seen more growth and development since it became independent than Bosnia and Herzegovina. However,

its government still has work to do in order to become a full-fledged democracy and free market capable of joining the European Union as a member state. As far as measuring security sector reform, Serbia's more stable transition to a democratic institution would lead to the expectation that it is more quickly able to implement security sector reform than Bosnia and Herzegovina, because it was more quickly able to start liberalizing its market.

The first indicator of security sector reform, again, is an increase in core security actors. Serbia's armed forces declined greatly when Montenegro split and became independent in 2006. Since then, Serbia's armed forces has grown only slightly from 24,000 personnel in 2006 to 28,150 personnel in 2015 (World Bank 2017b). Additionally, the growth of military personnel occurred between 2004 and 2006 before the financial crisis, with the size of military shrinking from 29,125 to 28,150 personnel between 2008 and 2015 (World Bank 2017b). This information alone does not indicate growth in the core security actors field of the security sector. The police force has grown as of 2016, with 455 police officer to every 100,000 inhabitants, according to the European Parliament (Lilyanova and Blagojevic 2016, 18). However, overall there is a lack of transparency and accountability between the core security actors and the public, indicating the need for further reform.

The second indicator of security sector reform is an increase in security management and oversight bodies (e.g. ministries of defense and internal affairs, financial management bodies and public complaints commissions). While the ministry of internal affairs and the ministry of the interior have been functioning since before the financial crisis, Serbia's oversight system is lacking in several places. There is still no body to oversee police activity, and oversight bodies are not very transparent when they do exist in Serbia (Lilyanova and Blagojevic 2016, 18). Serbia did initiate some oversight bodies after the financial crisis, such as the Public Oversight Board to oversee auditing within the government in 2013 (European Commission 2016, 3). Overall, the European Union's assessment of Serbia's growth in management and oversight bodies is that it "needs to be further enhanced" (Lilyanova and Blagojevic 2016, 4).

The third indicator of reform is an increase in justice and law enforcement institutions (e.g. the judiciary, prisons, prosecution services, traditional justice systems). In 2008, Serbia established courts of specialized jurisdiction, and in 2010 Serbia established new misdemeanor courts, high courts, commercial courts and appellate courts (Pancic 2011, 1). However, the total budget for courts in 2016 was 23.12 Euros per inhabitant per year (0.5% of GDP), which has led

to insufficient court practices and training of civil servants (Lilyanova and Blagojevic 2016, 14). Specifically, “sustainable judicial reform will require the strengthening of public sector accountability,” which requires more funding than it currently has (Berenschot 2013, 71). The European Union states that the judicial bodies are not functioning independently from political influence, making it ineffective in ensuring security for citizens, emphasizing the need for more growth in the sector to increase accountability of the judiciary (Lilyanova and Blagojevic 2016, 54). Overall, this sector has experienced some growth in the number of institutions, but it still needs support to continue to reform.

The fourth and final indicator of security sector reform is non-statutory security forces (e.g. private security companies, guerrilla armies and private militia). The number of private security companies in Serbia has increased by almost 2,000 companies since 2008, indicating serious growth in the private security sector (Pashley and Cools 2011, 5). This, however, comes with similar issues within the sector to those in Bosnia and Herzegovina. The Serbian private security sector is not well regulated, and does not clearly define the types of services offered in the private sector, meaning that there is a lot of freedom for private companies to take advantage of the needs of the public sector. Specifically, because private clients “tend to invest more in technical protection,” security companies can take advantage of the lack of regulation to maximize profit (Petrovic and Milosevic 2017, 5). This lack of regulation needs to be addressed by the government in order for the growth to be fully beneficial to the Serbian security sector.

Before the financial crisis in 2008, Serbia had a GDP of 49.26 billion USD, over double its 20.94 billion USD GDP after the breakup of Yugoslavia (World Bank 2017a). Since 2008, Serbia’s economy in terms of growth has fluctuated, and Serbia’s GDP as of 2016 is 37.745 billion USD, which is below even the initial drop in GDP Serbia faced during the financial crisis. The negative growth percentage of 30.51% Serbia has seen is indicative of the incomplete structural reforms to Serbia’s economy, which has crippled their ability to fund their own reform. Despite this lack of growth, there has been growth in the security sector, meaning that much like in Bosnia and Herzegovina’s case, Serbia has had assistance from international actors in order to continue supporting security sector reform.

After exclusion from international actors prior to the war in Bosnia and Herzegovina, international actors became quite a presence in Serbia. International actors have been involved in some aspects of security sector reform since the 2000s, but their involvement was kicked up in

2006 after Montenegro became independent from Serbia and their armed forces were split. Specifically, NATO has been involved with military and defense reform, along with other bilateral stakeholders (Watkins 2010, 20). Additionally, while the European Union has been involved with Serbia since before 2008, Serbia's application to join the EU and acceptance as a candidate country in 2009 and 2012 respectively, the EU has been heavily involved in reform in Serbia, including all of the financial assistance that comes with the accession process. Additionally, the Organization for Security and Cooperation in Europe has funded research and reform specific to policing in Serbia. It is clear from the involvement of these actors, as well as the involvement of independent international donors, that Serbia's security sector reform is supported largely by external actors.

## Greece

Security sector reform as a concept did not fully develop as a theoretical process until the end of the Cold War. That being said, it is possible to analyze the development of Greek security sector reform through the lens of the modern definition of security sector reform, piecing together the elements of reform defined by the OECD. However, before analyzing Greek security sector reform, it is necessary to highlight some key differences between Greek history and the history of Bosnia and Herzegovina and Serbia. Greece has been a functioning country for the last 2500 years, giving it bases in democratic rule as well as in military that neither Serbia nor Bosnia and Herzegovina could possibly have developed, having only formed as independent countries after the 1980s with the breakup of Yugoslavia (Eleftheriadis 2007). Additionally, both Bosnia and Herzegovina and Serbia were republics within a communist rule prior to their democratic transition, whereas not only had Greece introduced the idea of democratic rule historically, but they were transitioning back to democracy from a military regime. These differences are important to highlight not to take away from the comparison between security sector reform in the three countries but to bring into focus the differing backgrounds and their impacts on the needs of each country in the area of security sector reform.

Having highlighted the historic differences between Bosnia and Herzegovina, Serbia and Greece, it is possible to analyze Greece from a historic perspective to look at its security sector reform during its democratic transition in the late 1970s. First, in analyzing the core security

actors, Greece differs from both Bosnia and Herzegovina and Serbia. While in most cases of security sector reform the expectation is a strengthening and development of core security actors, Greece's long history as a democracy and a military power, spanning back 2500 years, makes it a bit of an anomaly in that it had established the core security elements of security sector reform long before forming the democratic government ruling in Greece today (Gürsoy 2017, 111). In fact, the military regime that gave way to democracy rendered an increase in core security actors unnecessary, as the number of armed forces personnel was already established, as were other core security actors such as intelligence (Gürsoy 2017, 112). Specifically, Greece had around 160,000 armed forces personnel in 1960, with that number steadily climbing until 1990, when it reached 200,000 (Charalambis et al 2004, 364). This is unsurprising given the Greek army's power prior to their democratic transition and subsequent security sector reform.

Second, analyzing the security management and oversight bodies as an indicator of reform provides a lot more insight into Greek security sector reform. As Greece was transitioning from a military regime to a democracy, the oversight of the already existing core security actors was vital to the success of the Greek security sector within the context of a democracy. The most important reform came almost immediately after the democratic transition, with the passage of a law in 1977 to reshape the structure of the armed forces so that they reported to the Minister of Defense rather than to the president (Dokos 2007, 43). This was in addition the acquisition of civilian advisors to the Defense Minister in order to add a level of accountability of the military to the citizens (Dokos 2007, 43). Additionally, Greece developed new Directorates for Terrorism, Organized Crime and International Cooperation, all of which were focused on training and upgrading software so that the directorates were more accountable to the rest of the government (Dokos 2007, 44). This indicator is perhaps the most important in tracking the development of security sector reform in Greece, as the other elements of the security sector were largely in place prior to democratization, but were simply misused or unsupervised.

The third indicator of security sector reform, the reform of justice and law enforcement institutions, occurred fairly immediately after the re-introduction of a democratic Greek government. Since 1974 and the fall of the military regime, the Greek people have "enjoyed a widespread commitment to liberal and democratic principles among the main political parties," including "a functioning system of independent courts, all speech, political or otherwise, has

been entirely unrestrained, while regular free and fair elections return different parties to power” (Eleftheriadis 2007). This fast and successful enforcement of judicial institutions stems from Greece’s long history of enforcing the rights against government equal to the duties of the government, and thus the success of reform in this area of the security sector is again unsurprising (Eleftheriadis 2007). There is discussion among many scholars about “modernization” of rule of law in Greece, as it still faces much corruption and political influence and could stand to improve the quality of its institutions, especially its financial institutions, to shelter against political influence over institutional decisions (Katsios 2006, 75). Overall, however, the development of the justice and law enforcement institutions as an element of security sector reform were fairly immediate and successful following the democratization of Greece.

Last in understanding the development of the security sector in Greece, it is necessary to analyze the development of non-statutory security forces in Greece. This element is perhaps the least developed of the Greek security sector, as they had strong public security sector elements immediately following their transition to democracy. The market for private security has developed slowly, though it is still small. According to Steden and Sarre, researchers at Vrije University in the Netherlands, a security market hardly existed in Greece until almost 2000 (2007, 228). Greece introduced legislation in 1997 regarding security licensing, seeing the growing market, but it is still a comparatively small market in relation to other European countries (Steden and Sarre 2007, 228). A specific niche of the private security market in Greece is the private detective market, which is used mostly to invest commercial fraud (van Steden and Sarre 2007, 228). This makes sense regarding the second indicator of security sector reform, oversight bodies, and the agreement among scholars that there is still need for reform in this indicator. However, overall the use of private detectives within the private security market represents a continued expansion of the security sector, even twenty years after the initial reform occurred with the democratization of Greece.

Last, it is necessary to compare the Greek economic situation against the security sector reform that occurred. Greece’s GDP in 1973 was 22.348 billion USD, and steadily grew up until the financial crisis of the 1980s. This is different from the economic situations of Bosnia and Herzegovina and Serbia, whose GDPs were falling while development of the security sector occurred (World Bank 2018). This indicates an ability of Greece to expand their security sector

that was absent in the other two cases. Despite the positive economic situation of Greece while reform occurred in its security sector, in 1974 Greece's newly elected government re-initiated the Athens Association Agreement (along the same lines as a Stabilization and Association Pact signed by the Western Balkan countries) to reinforce the Greek desire to fully integrate with Europe and the EEC (Karamouzi 2015, 4). This led to 56 million USD in aid to Greece from the European Economic Community, as well as harmonization of agriculture between Greece and the EEC. This represents a turn towards international actors for guidance despite an economic ability to support security sector reform on Greece's part (Karamouzi 2015, 5). It also demonstrates the value of relying on the EU for support in security sector reform, because Greece wanted the democratic values of the EU in place in its government.

## Conclusion

As Bosnia and Herzegovina and Serbia continue reform in their security sector, they will continue to be influenced by the European Union and other external actors. That influence is what has allowed their reform to continue through stunted economic growth, and has been vital to their continuation in democratic reform, both generally as well as specific to the security sector. Security sector reform, while it is largely funded by external actors because the governments of developing countries in the Western Balkans are struggling too much economically to support it themselves, has been steadily developing towards a full democratic system that ensures the security of its citizens. Therefore, the stunted economic growth of the countries considered in the case studies did not impact the reform because it is still occurring through international actors. However, the heavy involvement of international actors in security sector reform does raise complications as to what happens when the international actors leave.

Additionally, despite the major differences of Greek security sector reform in the 1970s and 1980s and security sector reform in the Western Balkans today, Bosnia and Herzegovina and Serbia, as well as other Western Balkans countries, can look to Greece for guidance on how to properly reform their security sector. Greece's reliance on the European Union (the EEC at the time) represented a Greek desire for democratic institutions (especially in the third indicator of security sector reform, judicial and law enforcement institutions) and resulted in aid from the EEC to achieve that development. The Western Balkans, in their security sector reform as a part

of working towards EU membership, are right to rely on international actors and especially the European Union to achieve proper security sector reform.

Areas of future investigation may include methods of transferring power from international actors to governments in cases such as the Western Balkans has been supported and influenced by external actors. Countries that are potentially candidates for the European Union may suffer less from this trend than others, as joining the EU would ensure that the European Union is a permanent actor in their affairs. However, other actors, such as the United Nations, or NATO, still need to transfer power back to the individual governments in the Western Balkans, raising the question how and when that will occur and what impact the lack of international presence will have on the permanence of the reforms.



## Index 1: Table 1.1

This table summarizes the change in GDP as well as in each security sub-sector for each of the three countries.

	<b>Bosnia and Herzegovina</b>	<b>Serbia</b>	<b>Greece</b>
<b>GDP</b>	-22.76%	-30.51%	+60.68
<b>Core Security Actors</b>	increase in police and government bodies	Decrease in personnel	
<b>Security Management and Oversight Bodies</b>	Technical increase, though inefficient	No increase	Increase in public oversight bodies
<b>Justice and Law Enforcement Institutions</b>	No significant updates since 2008	Increase in institutions but not effectiveness	Increase in effectiveness of already existing institutions
<b>Non-Statutory Security Forces</b>	Growing quickly, but with limited regulation	Increase in private security companies	Very small increase in private security
<b>External Aid</b>	Yes	Yes	Yes

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