

# STABLE POPULATION MOVEMENTS AS A FACTOR OF ECONOMIC STABILIZATION AND INTEGRATION OF THE WESTERN BALKANS INTO THE EUROPEAN UNION

By

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## ABSTRACT

In the paper will be analyzed various issues related to the population movement in the Western Balkan area as a factor influencing all aspects of regional integration including trade and direct foreign investments. Regional integration is today a universal process that encompasses not only the formation of trade arrangements and security alliances, but also numerous fields of economic and social life, political structure, internal security, the protection of national resources, culture, etc. What is involved, therefore, is a complex and multidimensional process of linkage in a region, which is not relevant only for relations among states and national administrations but also for many other social factors, such as representatives of the business world, the civil society, other factors.

The paper proposes to build on existing initiatives of the Stability Pact and the EU, as well as to develop a regional initiative to manage and stabilize population movements in the Western Balkan countries, as a support of overall economic integration into the European Union.

Key words: Western Balkans, legal migration, illegal migration, asylum, border control.

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## INTRODUCTION

The Stabilization and Association Process (SAP) includes several aspects: political dialogue, regional cooperation, free movements of commodities, movement of workers, establishment of firms, provision of services, capital, adjustment and implementation of laws, legislation and internal affairs, political cooperation in various domains, financial cooperation, general and institutional provisions. As the Western Balkan countries prepare to move into or closer to the European Union, the Western Balkan region may soon form isolated area of Europe in which economic progress and integration will be hampered, among other things, by the inability of its citizens to enjoy the kind of freedom of movement that is conducive to stability and economic progress. At the same time, as significant progress is made on solutions to the problems of displacement in the region, there is now a need, on the one hand, to make both returns and local integration sustainable by ensuring that both returnees and locally integrating displaced persons are included in recovery and development efforts and, on other hand, to strengthen the capacity of national and regional authorities to manage population movements, whether of a migratory or displacement nature, in such way that they contribute to stability and prosperity both in the region and outside in larger European community of nations.

## WITHOUT INTERNAL AND REGIONAL STABILITY THERE IS NO INTEGRATION INTO EUROPE

All the countries of the Western Balkans share the same basic foreign policy orientation – to become a part of the European integration. No one in Europe has special interests in and designs on individual countries of the Western Balkans – the integrated Europe has an objective that fully converges with the orientation of Balkan countries, having adopted the strategic decision to enlarge in the South East of Europe.

One of the most important roles of the European Union in South East Europe is to create a situation where military conflict is unthinkable – expanding to the region the area of peace, stability, prosperity and freedom established over the last 50 years by the EU and its Member States. For the last decade, the European Union has been at the forefront of efforts to make this aim a reality. Besides, the European Union is by far the single largest assistance donor to the countries of the Western Balkans. Since 1991, the European Union has provided more than €6 billion to the region through its various aid programmes. And by 2006, that figure will have risen to some €10 billion.<sup>2</sup>

All of this so far actions in the region represent a significant, long-term commitment on the part of the European Union to peace, stability and prosperity in South East Europe. But central to this commitment is a recognition that the key to success lies with the countries of the region themselves.

The framework for the European Union's approach to South East Europe – the so-called Stabilization and Association Process (SAP) – is designed to encourage and support the domestic reform processes that these countries have embarked upon. It is a step-by-step approach based on aid, trade preferences, dialogue, technical advice and, ultimately, contractual relations. In the long term, the SAP offers these countries the prospect of full integration into European Union structures.

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1 The Thessaloniki Summit: a milestone in the European Union's relations with the Western Balkans **IP/03/860** - Brussels, 18 June 2003

The European Union has pressured the Western Balkan countries through the different programs and institutions to liberalize, by making international aid dependent on neo-liberal adjustment measures in the debtor countries. Reduction of public spending, tax increases, the privatization state-owned enterprises, the floating of exchange rates, the lifting of price controls, the control of inflation, and the reduction of tariff barriers on import. Social issues burden the process of reform both politically and socially. Potential candidates for membership of the European Union – five Western Balkan countries – must fulfill the general conditions for the EU membership (the “Copenhagen criteria”), as well as specific conditions for the Balkan countries (political conditions), which will not be achieved either easily or quickly. The basic elements of the process would be the following:<sup>3</sup>

- Evolution of agreements on stabilization and association as new type of EU agreement relations with the individual countries of the Balkans;
- Development and promotion of existing economic and trade relations;
- Development of existing financial assistance, particularly by means of the new financial instruments (CARDS);
- Increased support to democratization, the civil society and the renewal and development of institutions in South East European countries;
- New possibilities of divers cooperation in a number of domains, such as those of internal affairs, security, and migration;
- Development of political dialogue, including dialogue at a regional level.

The economic and social situation is not yet stable. The economic growth in the region is still weak (Table 1). The Western Balkan countries have not yet achieved objectives of the Stability Pact. The social cost of the transformation is still very high.

The countries of Western Balkans face tremendous difficulties in improving economic situation and the region’s investment climate (Table 3). Besides the rule of law, public liberties, private property rights, one of the most important problem is high unemployment. In countries that once guaranteed full employment, there is now high unemployment (Table 2). High unemployment and increased income disparities have caused social discontent. Many measures should be taken by the region to integrate into an ‘undivided Europe’.

The next step, for countries that have made sufficient progress in terms of political and economic reform and administrative capacity, is a formal contractual relationship with the EU. This takes the form of a tailor-made Stabilization and Association Agreement.

Although the European Union is the main assistance donor to the region, a number of other international donors also provide support. The Stability Pact, launched at the EU’s initiative in 1999, is the key mechanism for ensuring this aid and support is mutually reinforcing and adds value. Increasingly, the focus of the Stability Pact is on supporting greater regional co-operation, which is also a key objective of the SAP – further increasing their complementarities.

With democratic governments across the Balkans, we have before us the best prospects for a generation of building lasting peace and prosperity across the whole of South East Europe. Working together with our international partners, the EU is committed to turning this potential into reality.

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<sup>3</sup> Dusko Lopandic, Regional Initiatives in South Eastern Europe, European Movement in Serbia, Belgrade, 2001, p. 186.

## THE ROLE OF THE STABILITY PACT

According to the documents of the Stability Pact, return matter are the responsibility of the Regional Return Initiative (PRI) under Working Table I while migration and asylum issues fall under Justice and Home Affairs in the Migration and Asylum Initiative (MAI) under Working Table III. As refugees return or settle locally and efforts are being intensified to integrate them into national and regional development plans and as other movements of people, whether within or in transit through the region, continue to affect the region, there is a need to streamline the management of and response to such movements both in the region and as well as in the approach of the international community including the structures of the Stability Pact.

The Regional Initiative to Manage and Stabilize Population Movements in South Eastern Europe is very important task of the Stability Pact. This Initiative has covered:

- Asylum
- Legal migration
- Illegal migration
- Border management
- Visa policy and entry policies
- Return/settlement of refugees/displaced persons.

The objective to manage and stabilize population movements in South Eastern Europe it might make sense to broaden the geographic scope beyond the immediate five SAP countries and invite the neighboring countries – Bulgaria, Romania and Moldova to participate in this process.

People move inside and across borders, so do problems as well as opportunities and so must policy response. It is essential to combine national measures to manage, control and resolve the issues with cross-border and regional initiatives to render national action more effective.

Its common denominator is population movements, regular or irregular, voluntary or involuntary, into the region, inside the region, through the region, out of the region and back into the region. With regional cooperation should primarily be developed by the countries themselves, the international community in general, Europe in particular, should support such efforts, both by providing technical and financial support towards the development of the necessary legislative, institutional and administrative structures needed to manage and stabilize population movements in the Western Balkans but also by considering legal channels and opportunities for regular entry and stay for purposes of employment, training, family reunion or other valid reasons.

## THE INTERESTS OF SERBIA AND MONTENEGRO

Serbia and Montenegro is strongly interested in the activities of the Stability Pact, in particular Migration and Asylum Initiative (MAI) and in Regional Return Initiative (RRI). I am convinced that the responsible state bodies will strongly support the Program of Action to manage and stabilize population movements in South Eastern Europe (Ministry of Foreign Affairs, Ministry of Foreign Economic Relations, Ministries of Interior, Commissioners for Refugees and others). The new Regional Initiative to manage and stabilize population movements in South Eastern Europe is very acceptable.

Serbian and Montenegro have faced all types of population movements. For the purposes of regional comparison, the simplest form of classification of diverse flows by four broad categories of entry.

First, labor migration, which would include long- and short-term immigrants and seasonal workers.

Second, family reunification, which usually consists of close relatives of those with long-term settlement rights.

Third, undocumented workers or ‘illegal immigrants’ who have either entered the country illegally or have entered on tourist visas and have overstayed, usually in order to work.

Fourth, asylum seekers who once granted asylum are classified as refugees.<sup>4</sup> Besides, Serbia and Montenegro have IDPs.

The generally acknowledge that the positive value of international migration when it takes place in a regulated and predictable manner. They are alarmed, however, by irregular migratory movements.

In fact, over the past ten years, irregular border crossings have emerged as a new major element in international migratory flow throughout the world. There is no doubt that the smuggling and trafficking of human beings is an essential part of these movements. Corresponding to their increasingly disturbing nature, the issues of irregular migration and human trafficking and smuggling elicit widely different responses from various observers.<sup>5</sup> As noted by British scholar, J. Salt, human trafficking and smuggling have the capacity to excite attention and polarize opinions.<sup>6</sup> Some believe these actions to be among the inevitable consequences of the globalize dynamics of contemporary human mobility.<sup>7</sup> While others see them as serious illegal activities in the hands of organized criminal groups.<sup>8</sup> Others claim that as migrant-receiving countries tighten their legal immigration channels, the only way for many potential migrants to enter these countries is through irregular border crossings, often with the help of smugglers and traffickers. It would seem not only that scholar or public attitudes toward irregular migration, smuggling, and trafficking differ, but also that there is no settled view on the solution.

Refugees from the former Yugoslavia - According the statistical data from 1 April 2003, Serbia and Montenegro is country of asylum to 340,490 refugees from the former Yugoslavia as follows:

- 220,636 from Croatia
- 119,213 from Bosnia and Herzegovina
- 13 from Macedonia, and
- 628 from Slovenia.

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<sup>4</sup> Peter Stalker, Migration Trends and Migration Policy in Europe, *International Migration*, Vol. 40 (5), Special Issue 2/2002, p. 152.

<sup>5</sup> Ahmet Icduygu and Sule Toktas, How Do Smuggling and Trafficking Operate via Irregular Border Crossings in the Middle East, *International Migration*, Vol. 40 (6), 2002, p.26.

<sup>6</sup> J. Salt, Note from the guest editor, *International Migration*, Vol. 38 (3), 2000, p. 3.

<sup>7</sup> A. Icduygu and E.F. Keyman, Globalization, security, and migration: the case of Turkey, *Global Governance*, No. 6, 2000, p. 383.

<sup>8</sup> IOM, *Myths and Realities of Chinese Irregular Migration*, IOM, Geneva, 2000, p. 8.

The problem with regard to refugees can be solved by implementation of the National Strategy for Resolving the Problems of Refugees, which provides outline for:

- a) Close cooperation with the UNHCR and other UN Missions in Serbia and Montenegro;
- b) Regional cooperation with within the framework of the Stability Pact;
- c) Bilateral cooperation with countries of origin and donor countries, and
- d) Cooperation with non-government organizations engaged in Serbia and Montenegro.

Return to home areas as a durable solution is closely linked to the security issues, the exercise of property rights, the level of political changes in home areas, the duration of exile, the number of returnees, the level of devastation of the place of origin and the economic opportunities. The degree of implementation of property related laws has influenced the return of a rather number of returnees to Bosnia and Herzegovina. The process of return of refugees to the Republic of Croatia is far less rapid, obviously facing number of obstacles.

Integration as a durable solution and implementation of the National Strategy for Resolving the Problems of Refugees are closely linked to the degree and speed of reforms achieved in the process of transition, that is to creation of conditions conducive to moving from humanitarian to development phase. Recently, an intensive work has been done of drafting a strategy aimed at reducing poverty.<sup>9</sup> Efforts of Government to resolve housing problem of refugees are very strong, as well as the policy for an active employment of refugees and IDPs in Serbia and Montenegro.

Poverty in Serbia has increased and deepened dramatically over the past 10 years. There is an increasing:

- Number of people living just above the poverty line;
- Number of people who have become poor because of social exclusion.

GDP in 2000 was reduced to 45% and per capita incomes to less than 40% of the levels recorded in the late 80s.

The presence of some 575,000 refugees and internally displaced persons has put additional pressures on the already overburdened social delivery system and poverty situation in Serbia. One third of the Serbian population lives in poverty and on incomes of less than Euro 30 per month, while 10 % live below the poverty and absolute poverty line, with monthly incomes of less than Euro 20, it should be noted here that this is from formal income as distinct from income, which might be derived from the gray economy.

Serbia and Montenegro is a country providing protection and assistance to 233.938 internally displaced persons from Kosovo and Metohija as follows:

- 205,391 found protection in Serbia
- 28,547 found protection in Montenegro.

To speak of durable solutions for this category of vulnerable people is quite impossible, because they are in a legal and political vacuum, having no possibility to return to their place of origin. The fact is that even after three years of international presence in Kosovo and Metohija, no conditions were yet created for the safe return of internally displaced persons, the exercise of their acquired rights, confidence building and appropriate degree of political change.

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<sup>9</sup> Development for a full Poverty Reduction Strategy Process (PRSP), 2003.

The overall number of 357 organizes returnees to Kosovo and Metohija is extremely small compeering with the number of IDPs who wish to go back home.

The effect of finding a solution, we expect a larger and better cooperation with all actors, and in particular a better cooperation with the UNMIK administration and the responsible authorities of Serbia and Montenegro, as well as a strict implementation of the UN SC resolution 1244.

The irregular migration and trafficking in the Balkan region is also important. Two forms are extremely important – irregular transit migration in Balkans, and trafficking in human beings. During the 90-s, numerous media reports have been published about the increase in irregular transit migration through the Balkans.

Trafficking in women and girls for sexual exploitation was so far a significant problem in some countries in the Western Balkans.

Therefore, despite the increased international attention to the scourge of trafficking in human beings, each year millions of persons around the world continue to be victimized through trafficking for commercial sexual exploitation and other forms of slavery or slavery-like conditions, in violation of their fundamental human rights.

The Balkan region includes source, transit and destination countries for trafficking operations and that each year many thousands of children, women and men are trafficked for exploitation in the region.

The Global Program against Trafficking, in Human Beings, carried out by the United Nations Center for International Crime Prevention together with the United Nations Interregional Crime and Justice Research Institute, aims at enabling countries of origin, transit and destination to develop strategies against trafficking, focusing especially in crime prevention. Program includes: situation assessments, the establishment of a best-practices database, provision of technical assistance and the formulation of an international anti-trafficking strategy.

According to the OSCE Resolution on combating trafficking in human beings (Paris, 10 July 2001), OSCE participating States committed “to take necessary measures, including by adopting and implementing legislation, to criminalize trafficking in human beings, including appropriate penalties, with a view to ensuring effective law enforcement response and prosecution. Such legislation should take into account a human rights approach to the problem of trafficking, and include a provision for the protection of the human rights of victims, ensuring that victims of trafficking do not face prosecution solely because they have been trafficked”.<sup>10</sup>

The adoption in December year 2000 by the United Nations General Assembly of two additional protocols to the Convention against Transnational Organized Crime regarding the prevention, suppression and punishment of trafficking in persons, and the smuggling of migrants, appeals to participating States to ratify these texts and the Optional Protocol to Convention on the Rights of Child regarding the sale of children, child prostitution and child pornography.

Supporting the efforts of the Stability Pact Task Force on Trafficking in Human Beings and appealing to participating States to play an active role in this respect. As you know, the Task Force was created to facilitate implementation of the Action Plan. Main areas in the Plan are prevention, legislative reform, awareness raising, training programs, laws enforcement cooperation, victim protection, return and reintegration.

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<sup>10</sup> Paris Declaration on the ESCE Parliamentary Assembly and Resolutions Adopted During the Tenth Annual Session, Paris, 10 July 2001.

Dealing effectively with irregular migration is not; therefore, just a matter of introduction more rigorous legislative and policy measures aimed at strengthening border controls. Governments will be in a better position to address the problem if they are equipped with a broad range of migration management strategies going beyond measure to prevent unauthorized entry. Such a strategy implies, first and foremost, tackling the economic, security, human rights, environmental and demographic problems that prompt people to leave their own country and to seek admission to other States. It requires integrated policy responses at various levels, including appropriate orderly channels for the admission of labor migrants. This, also, implies that the present Action Plan to combat irregular immigration into the European Union strike a proper balance between migration control priorities and refugee protection imperatives.

## CONCLUSION

Problems of economic and internal political stability in the countries of the Western Balkans, individually and in the region as a whole, are becoming crucial for the success of the reforms and for the speed of the process of association to the European integration. To support existing initiatives under the Stability Pact and develop a regional initiative to manage and stabilize population movements in the Western Balkans is the best solution, anchored in human rights, economic development and security.

Ethnic tolerance in the region is conducive to a healthy democracy and economy. Full use can be made of people's abilities and resources. Resources that would have been used to deal with ethnic (and religious) strife can be put to productive use, an ethnically impartial ("neutral") state can be build up and the danger of political parties developing along rigidly ethnic lines. Foreign investment, firms and entrepreneurs are attracted, the support of the European Union is gained and the chances of membership of the EU enhanced.<sup>11</sup>

Milica Zarkovic Bookman was on the right track when once she concluded that "after the Yugoslav war, the ethnic groups of the Balkans must turn to each other, even if only out of necessity. On economic grounds, invigoration of their economies will take place through the development of new trade routes among each other, as these constitute, after all, their most logical markets under the competitive circumstances of the 1990s. On the ethnic front, tolerance and coexistence are cheaper and more viable than the creation of ethnically pure regions, whether by war or organized migrations. Therefore, the pursuit of self-determination based on ethnicity should be discouraged and solutions to the economic and nationalist crisis must be found amidst possibilities of larger, heterogeneous units".<sup>12</sup>

Cooperation among the Balkan peoples is the best solution. Such a program might be called infeasible on the basis of the nature of the Balkan population, which is perceived as backward, passionate and with stronger roots in history than reality. However, anything is possible in the Balkans. This population may yet surprise us again. They may yet be able to stand aside and take a long-term and broad view of their economies and demographics, and opt for some dispassionate, rational solutions. They may do this because the enemy, nationalist bankruptcy, is rising from within.<sup>13</sup>

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<sup>11</sup> Robert Bideleux and Ian Jeffries, *Nationalism and the Post-1989 Transition to Democracy and Market Economies in the Balkans: a Historical Perspective*, in *Problems of Economic and Political Transformation in the Balkans*, Ed. Ian Jeffries, Pinter, London, 1996, p. 191.

<sup>12</sup> Milica Zarkovic Bookman, *Economic Decline and Nationalism in the Balkans*, St. Martin's Press, New York, 1994, p. 170.

<sup>13</sup> *Ibid.*

The economic incentives to offer Balkan ethnic groups must include large-scale projects, such as development of tourism, communications and transportation - in other words, projects that are regional in nature and extent instead of merely on a country-by-country basis. The future of the region should be characterized by economic reconstruction affords rather than military intervention.

Table 1

The Western Balkans: surface, population, gross national income, 2001

Country	Surface area	Population	PPP gross national income*			Gross domestic product	
	Thousand Sq. km	millions	\$ millions	Per capita \$	Rank in world 2001	% of growth 2000-01	Per capita % Growth 2000-01
Albania	29	3	12	3,810	130	6.5	5.5
Bosnia & Herzegovina	51	4	25	6,250	92	6.0	3.8
Croatia	57	4	39	8,930	75	4.1	4.1
Macedonia	26	2	12	6,040	97	-4.1	-4.7
Serbia & Montenegro	102	11	...	...	...	...	...

\* PPP is purchasing power parity.

Source: The World Bank, World Development Indicators, 2002.

Table 2

Unemployment rates in the Western Balkan countries

Country	Year	Unemployment rate (%)
Albania	2002	13.0
Bosnia and Herzegovina	2002	41.1
Croatia	2001	16.3
Macedonia	2002	57.1
Montenegro	2000	42.4
Serbia	2002	30.1

Source: Irina Kausch (Ed.) and group of authors, Employment and Labor – Market Policy in the South Eastern Europe, Friedrich Ebert Stiftung, Belgrade, 2002.

Table 3

FDI inward stock in the Western Balkan countries, 1990-2000 (millions of \$)

Country	FDI 1990	FDI 1995	FDI 2000	FDI 2001	FDI 2002
Albania	...	201	568	775	988
B&H	...	20	376	506	828
Croatia	...	478	3,560	5,049	6,029
S&M	...	329	1,319	1,484	1,959
Macedonia	...	33	387	829	907

Source: UNCTAD, World Investment Report 2003. FDI Policies for Development: National and International Perspectives, United Nations, New York 2003, p. 260.