

# THE SOCIAL, POLITICAL AND ECONOMIC TRANSITION OF THE BALKANS

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## Abstract

In the Balkans, geography has often been smaller than political aspirations and was not unusual that the name of a Balkan country have been greater than its territory. Since the dream of every state in the Balkans was seen invasion of the City of Arts (profitable territory at the expense of another country).

Europeanization of the Balkans will initially be noted that externally as urban architecture and fashion is where many cities will not differ from others in Europe , and the population would benefit all the other qualities that had brought prosperity of Western Europe .

Being familiar with the risks but also the problems of the region in general, particularly those of Albanian airspace and the relevance of the concept of " Gate -tie " under the framework of developments in the Balkans and beyond. Balkans , " bridge " or " crossroads " between Europe and Asia , " salad peoples " or " Meling pot " peoples , " powder keg " or " sparring area " of Europe ? All these epithets are true or were in a certain era, but they did not destroy the diversity of people and areas of the Peninsula which itself carries the antiquity of the Pelasgians , the Helena and Macedonians. Geographical location and properties of large groundwater and surface Balkan countries have favoured as gateways connecting and communicating artery with other European countries.

Major axes of movement Balkans have not changed for thousands of years: corridor (Morave - Maric), who went from Byzantium and the Danube in the Aegean, "Via Egnatia which connected the west to the east of Durres with further Thessaloniki to Constantinople. The set of geostrategic standpoint, at the crossroads of Asia, Africa and Europe, the Balkan Peninsula has resulted simultaneously be tempting object for scholastic career occupation or other countries regions. After the collapse of communist regimes national- professional structure was shaken. Reforms undertaken during the process of economic restructuring, privatization, restructuring the logic of production and services also brought a reconfiguration of relations between nations. To describe this trend we observe that the conflict between economic and political power takes the form of a crisis between civil society and state and an economic aspect imbalances between administrative and bureaucratic aspects of society.

Changes in sales revenue, exports, employment, investment in fixed assets, and profit margins serve as measures of business performance SEE8 surveyed during 1995-1998 and 1998-2001. In

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recent years, there has been considerable uniformity in less cross-country in all firms -level performance, except profit margins dimensions.

A proactive policy is needed including economic, institutional and structural, reforms and competition policy reforms, construction of free market institutions in Eastern European countries and integrating international and interregional trade.

Horizontal expansion and increased international exposure SEE8 extent to which businesses have expanded or are exposed to competition from rivals in international markets is a critical issue in evaluating the competitiveness of domestic firms and eight countries and regional competitiveness general

Balkan countries are in the process of overcoming serious obstacles in infrastructure. However , the development of predictable and transparent framework of regulations which will provide users access to competitive prices , high quality and service that will bring investment in utility sectors ( in general , infrastructure ), capacity building for joint investments, to provide clean energy alternative.

**Key Words:** Strategic Region, Building Institutions, Imbalance, Horizontal Expansion, Infrastructure Improvements, Capacity Building.

## **1. BALKAN GEOSTRATEGIC POSITION**

In the Balkans , geography has often been smaller than political aspirations and was not unusual that the name of a Balkan country have been greater than its territory . Since the dream of every state in the Balkans was seen invasion of the City of Arts ( profitable territory at the expense of another country ) .

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Balkans , “bridge” or “crossroads” between Europe and Asia , “salad peoples” or “Melting pot” peoples , “powder keg” or “sparring area” of Europe ? All these epithets are true or were in a certain era , but they did not destroy the diversity of people and areas of the Peninsula which itself carries the antiquity of the Pelasgians , the Helena and Macedonians .

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1. B. Jezernik (2010) “Wild Europe”

2. E. Yzeiri (2005) “The Geography of Albania in Transition”

## **2. GEOGRAPHICAL AND HISTORICAL HERITAGE OF THE BALKAN COUNTRIES.**

After the collapse of communist regimes in the Balkan countries undertook reforms to the structure of the economy, privatization , restructuring the logic of production and services. Also launched a new reconfiguration of relations between nations . They were demanding reconstruction of territorial structures and political relations of society . Economic Restructuring and Reinventing reports relations between fields of professional activity , affect the relationship between national and ethnic groups as women are forced - professional groups . After this period began to be noticed strengthen the economic position of national minorities which were marginalized in the past . Consequently , the conflict between economic power and political power takes the form of a crisis between the state and civil society also an economic aspect imbalances between administrative and bureaucratic aspects of society .<sup>3</sup>

This process is characterized by several aspects: First , is the process of disintegration of production structures industrial the Balkan countries where the decline of the industrial sector is more severe than that in the field of agricultural production . In addition to the production comes to a halt industrial structures increased state budget deficit and reduce state intervention in the social space. Second , the territory of the state losing more weight and its role in the political cohesion of society. It becomes very fragmentary developing local production structures , sometimes completely decentralized, which was subject entirely new dynamics. Third, create a professional social and economic balance important , on the one hand between the layer administrators , economic leaders , the state bureaucracy , and military officers from other professions and marginalized in the past exercised individually by taking part in national minorities .

Fourthly, in the past, members of national minority to emigrate in order to emphasize . Given an uncertain economic position in their country they were forced to work and live in the west , creating a substantial community and abroad consolidated . Now that economic life in the

country is liberalized return and invest in their country benefiting from the framework of reforms in the manufacturing sector and services .<sup>4</sup>

3. EC: (2012) “Progress Report of countries in the region”

4. Group of authors: Tirana 2010 historical magazine “Geopolitics”

### **3. CORRIDOR VIII BRIDGE TRANSIT AND ALBANIA.**

Albanian territory is prosperous land in the Balkans , not in Europe . It forms a favorable geographical position for economic development in the Balkans , constitutes geophysics and rare biodiversity climate not only everyday life and annual tourism but also for other economic activities and social . As for the roads is the whole corridor outside , the whole is a Mediterranean cove , and the whole an economic resource that can not be found in the Balkans or Europe.

*But the question is , Why are we poor ?*

How long will continue Albanian Tanzimat not wasting energies to become possessed of natural resources , but by dominating each other ?

- The greater evil is that in 2012 the economy in question is not based on free raw material that nature has bestowed . Albanians once been the commander for Turkey , now captive labor . A nation can not prosper so . Never been taken seriously with the land where they live, with properties that hide in the surrounding neighborhoods and so much more and are never taken to the Mediterranean , with its waterfront paradise has not left without rewarding nations , without prospered . Is this a reason for poverty .

- Another reason is the lack of road freight transit to land - sea , east - west or north - south . It is no accident that have built 4.7 million in 1300 Croatian ports and marine transport route 15 times more than Albania , while Albania hundredth of goods by 30 % was attributable to transport .

Who else besides a feudal mentality adopted in eastern way of life , there is no concept ( physical - geographic and economic ) of Corridor \* 8 \* and fails to understand the value of infrastructure .  
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Description of geophysical matter because arrives to study transport corridors and transit European values throughout the range of movement of their own , without difficulty teaches the simple way of conception and construction in urban centers and inter-ethnic issues that govern economic activity in the respective states . On the other hand requirements , needs and accomplishments to be connected with one another sequel , west to east and vice versa .

The list of projects approved by the Council of Europe for construction until the 2020s there corridor \* 8 \*

5-Xh.Ngjeqari; Rr. Baxhaku “Corridor \*8\* and Albania a transit bridge ”, Tirana 2005

4. Reports EC and WB on Balkans countries.

Recommendation of the European Commission emphasizes the progress that has been made in many areas , but at the same time also notes the limits on which much work remains to be done , such as Ohrid Agreement , and in this respect the European Commission's report is very clear that the Framework Agreement remains an essential part of the country and the country must focus on the implementation of this agreement which will improve inter-ethnic cooperation in place , and should continue all efforts for the full implementation of this agreement . <sup>6</sup>

The report also in education , recommends efforts to promote inter-ethnic cooperation , adding that one of the biggest advantages of Macedonia 's multiethnic character of the country and must promote tolerance and respect among all ethnic communities in Macedonia .

-Changes in sales revenue, exports, employment, investment in fixed assets, and profit margins serve as measures of business performance SEE8 surveyed during 1995-1998 and 1998-2001. In recent years, there has been considerable uniformity in less cross-country in all firm-level performance, except profit margins dimensions. <sup>7</sup>

The need for proactive policies and Effective Competition

A proactive policy is needed that includes (a) institutional and structural economic reforms, and (b) competition policy reforms.

-This study is based in reality, integrating and analyzing data and perceptions from a set of 40 original enterprise-level business case studies, which were carried out in each of the eight countries in 2002, and from the two rounds of the European Bank for Reconstruction and Development (EBRD)-World Bank Business Environment and Enterprise Performance Survey conducted in 1999 (BEEPS1) and 2002 (BEEPS2), which covered approximately 1,600 firms in South Eastern Europe (SEE).

6. EC “Progress Report of countries in the Western Balkans ” Eurostat 2005

7. Xh.Ngjeqari; Rr. Baxhaku “Corridor \*8\* and Albania a transit bridge ”

The surveys complement traditional, official data from SEE8 governments, providing a deeper, qualitative assessment of the characteristics, trends, and relationships among economic and government institutions and the enterprise sector. They also provide results that challenge the conventional wisdom and assumptions. <sup>8</sup>

-This book starts from the premise that further development and reform of basic market institutions in SEE are the key to increasing domestic and foreign investment and, thus, to accelerating economic growth and reducing poverty.

Although the economic recovery of the region has started, it will stall unless greater progress is made in the institutional environment for investment.

Improving the investment environment also is essential to the integration of the SEE8 into the European structures. These two mutually reinforcing objectives—accelerating growth and reducing poverty, on the one hand, and integrating with Europe, on the other hand are critical to achieving long-lasting peace and prosperity for all people of the region.

The objective of the study is to assess, empirically and in detail, the nature and extent of the institutional constraints to improving the environment for investment in the SEE8 and to develop policy recommendations to ease those constraints.

## **ADVANCING JUDICIAL REFORM**

Contract enforcement mechanisms, both formal and informal, are essential for the smooth functioning of commercial contracts. Therefore, any policy aimed at strengthening the enforceability of commercial contracts and the resolution of commercial disputes needs to address judicial reform together with mechanisms for informal enforcement. Policymakers could pursue several types of reform that have been found to improve the enforcement of commercial contracts in various jurisdictions world-wide. These measures include concrete policy recommendations, which are outlined below:

Establish information-sharing institutions. Create enforcement mechanisms such as credit bureaus, the media, nongovernmental organizations, and intermediaries such as accountants and auditors. Such institutions perform important functions in ensuring that contracts are enforced and that obligations between business partners are met.<sup>9</sup>

## **IMPROVING INFRASTRUCTURE SERVICES**

Better infrastructure services could offer tremendous opportunities to reduce costs and to increase revenues in the real sector; conversely,

innovation downstream has been severely constrained by inadequate infrastructure upstream caused by poor regulation. Policy recommendations to break the vicious cycle include the following:

8. B.B (2002), "The performance of the countries of Western Balkans "

9. European Bank "Building Market Institution in SouthEastern Europe Mynih 2008

Sequence infrastructure reforms appropriately, establishing sound regulatory frameworks before privatizing utilities. Promote further private sector involvement by commercializing, restructuring, and ultimately privatizing key utility sectors. Wherever possible, involve strategic investors to maximize privatization revenues, to secure finance for necessary investments, and to strengthen incentives for improved efficiency. Enterprises not paying for services sales of nonpayment. Establish an independent, transparent, and publicly accountable regulatory oversight process and institutions. Strengthen the independence and financial viability of the newly created regulatory agencies. Balance independence against accountability and requirements for monitoring and assessing regulatory effects. Coordinate the work of regulatory institutions. With the creation of independent sector regulatory agencies, competition authorities would no longer be responsible for tariff-setting processes and supervision, leaving technical and pricing regulation to specialized agencies. Competition authorities could thus play a more forceful role in determining the appropriate scope of regulatory authority and the appropriate market structure, as well as in controlling anticompetitive conduct by dominant enterprises. Create a more competitive environment for delivery of infrastructure services by establishing fair, transparent, and nondiscriminatory terms of access to regulated utilities. Develop alternative institutional frameworks for improving performance of infrastructure services, including regional and cross-sectoral approaches to regulation.<sup>10</sup>

#### 10. Beerzh 2010

For the Western Balkan countries, the economic criteria may be difficult to meet, judging from the current situation described in reports on the latest progress of the Commission. Terms institutional dealing mainly with the capacity to adopt and implement the *acquis communautaire*.

Appropriateness, effectiveness and public acceptance of the resulting institutions were major problems in the fifth enlargement. Membership requires reform or collapse of some existing institutions and creating new institutions in other cases. Reform of existing institutions can be a very difficult and long. Perhaps judicial reform is a good example.

For many aspiring to the EU since 1989, a comprehensive reform of the judicial system was a necessary component of the reform of the state-party democracy with the rule of law. Judges had to be retrained in order to be able to function in the new system. The *acquis communautaire* led to further changes in the legal framework, requiring retraining. Even today, of course, many judges in Central and Eastern Europe continue to be trained in a totally different legal system and while change is happening, it can be slow and complicated.

The inability of the judiciary have made it difficult for companies, including foreign investors, to determine the legal consequences of contracts. With the creation of new institutions, frequently arises the problem of acceptance by the public. It takes time for institutions to be accepted by the public and to be taken seriously.

This process of building public trust can take many years and may be slowed if the institutions considered to have made errors in their early years . Sectoral regulators , for example , often find that they need more time to establish themselves as serious operators, even if they have strong legal positions. Institutional conditions for EU accession require several different elements: efficiency of the government to plan the adoption of the acquis in an orderly sequence:

- quality in drafting legislative proposals ;
- efficiency and quality of parliament in passing the necessary legislation ;
- effectiveness of the institutions charged with the implementation of the acquis ;
- ability of the judiciary to deal with European law and to provide a jurisdiction
- rapid , objective and free of political bias .

These elements constitute the essence of hard work in preparing for accession . The capacity of the candidate will be judged on whether it has fulfilled the promises made on the implementation of the acquis. While Western Balkan countries influencing the course of events in the Union would be difficult for them preparation for membership . Ultimately membership is in the hands of the countries

## **5. BALKAN PERSPECTIVE**

- During an interview for the newspaper “Bild” , Barroso said that the EU will include all the Balkan countries as they fulfill all the required conditions and criteria .

“We must not forget that many of the Balkan countries have been at war against each other a few years ago . EU membership gives them a perspective and is an important lever for peace in the region” - he said . “EU membership gives them more perspective , it is an important instrument for peace in the region . Course is best for membership in EU countries , rather than let them fall dark abyss of instability . In long term we must accept all Balkan states when they meet the criteria necessary conditions”, Barroso told “Bild” newspaper .

Commenting on the occasion he said that Turkey for EU membership doors are open . “It is a great place , economically and geopolitically important . Integration is possible if Turkey meets all requirements” <sup>11</sup>

The World Bank is urging developing countries to maintain economic growth and global economy next year remains unstable . In a new report published Tuesday entitled “Prospects of Global Economy in 2013” , World Bank says that Albania was among countries of Europe and Central Asia that had an increase of less than one percent , while expectations for 2013 remains subject to serious regional and global risks .



World Bank report , Global Economic Prospects 2013 and provides an analysis of the economic situation of countries in terms of challenges as the Eurozone crisis , slowing economic growth in rapidly developing countries and the volatility of financial markets .

According to the report , growth in Europe and Central Asia is part of Albania also fell sharply in 2012 after strong growth a year ago . For Albania , Bulgaria , Macedonia and Romania is expected that economic growth in 2012 have been less than one percent . Western Balkan countries report says, with strong economic and banking to Europe , suffered the consequences of declining demand for exports , reduced entry of foreign capital and income by immigration .

11. Newspaper "Bild" 23 October 2013. Barroso Interview "Entirely Balkans in the EU"

While domestic consumption , which has been the engine of growth in the region declined during the financial crisis . The report mentions Albania among the countries that had a substantial reduction in domestic consumption , the level of credit and income immigrants , while unemployment remains high . All these developments caused slowdown in the first half of 2012 while the indicators for the last months of the year are different for different countries of the region.

General Domestic Production in the region is expected to be reduced by 3 percent in 2012 , while this year , it is projected to have increased slightly to 3.6 percent while the factors that contributed to slower economic growth in 2012 will continue to be present .

Prospects for the region in 2013 , says the World Bank , will be heavily dependent on debt management , high unemployment and inflation , lack of competition and other structural constraints economies . World Bank says economic growth for Albania in 2012 is expected to have been 0.8 percent , while that for 2013 foresees it to be 1.6 percent .<sup>12</sup>

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12. WB report 01/16/2013

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