



Peace and Crises Management Foundation

Fondation pour la Paix et la Gestion des Crises



CONFERENCE

THERE IS NO WAY TO PEACE, PEACE IS THE WAY

BORIS VUKOBRAT

Vladimir Gligorov Elisabeth Kopp Vojislav Stanovčić Mojmir Mrak
Žarko Puhovski Zoran Pusić Ilija Vujačić Vukašin Pavlović
Zdravko Grebo Ante Raos Ranko Risojević Mihailo Crnobrnja
Mirjana Prljević Azem Vllasi Danica Popović Darko Tanasković
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AUTHORS

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CONFERENCE

THERE IS NO WAY TO PEACE, PEACE IS THE WAY

When we started the initiative 20 years ago and published the *Proposals for a New Commonwealth of the Republics of ex-Yugoslavia*, before most as an option aiming to stop the wars on this territory, and then through economic cooperation aiming to restore trust and cooperation among people, however, this idea was observed as utopistic and unrealistic by many.

At a first glance, when observed from a very superficial point of view, the sequence of events proved them right. Numerous lives were lost during these ten years of confrontations; hundreds of thousands of people have lost their homes, whereas the damage has not yet been estimated. Nevertheless, we didn't manage to stop the war in former Yugoslavia, but the war didn't manage to stop us from working on a vision of peace and from giving our contribution to peace however we can as a peace organization in the civil sector.

Our initiative has transformed into a Peace and Crises Management Foundation which endured as a non-governmental organization and as a visible bearer of changes throughout the years. The fact is that our initiative has gathered many eminent professionals: scientists, politicians, public officers, writers, journalists who have encouraged us and convinced us that we are doing the right thing. We knew that our work cannot be valued through a forum or any numerical indicator. We have consciously left our activities over to the judgement of time and we have listened to the voices of reason, no matter how desolate and silent they were.

Today, twenty years later, we are still on the same road to strengthen the peace, trust and tolerance as fundamental preconditions for normal life and prosperity of all people and all citizens.

Boris Vukobrat

Founder and President of the Peace and Crises Management Foundation

BORIS VUKOBRAT

PRESIDENT AND FOUNDER OF THE PEACE AND CRISES MANAGEMENT FOUNDATION

Ladies and gentlemen, my dear friends and participants at this event, on behalf of the Peace and Crises Management Foundation which celebrated 20 years of existence, please allow me to say how glad I am to see you all here today. In particular, I would like to express my gratitude to the authors of the publication *Reviews 2012*, a reflection on our first publication, *Proposals for a New Commonwealth of the Republics ex-Yugoslavia*, published in 1992. The goal of these *Reviews* was to reflect on our proposals made 20 years ago, to see what has happened in the meanwhile and to see what the present situation is.

One of the participants who was with us since the very beginning, Dr. Žarko Puhovski, told me this morning during breakfast: "This time, let us try to be successful and efficient, as opposed to the last time, when we tried to be original." In other words, based on the book *Reviews 2012* you are holding in front of you, we have concluded what is the situation like today, and we are all, more or less, familiar with it. Our primary goal today is to conclude this meeting one step closer, not to what is, but to what should be and to what needs to be done in order to get there. Let's get straight to the point.

MIRJANA PRLJEVIĆ

EXECUTIVE DIRECTOR OF THE PEACE AND CRISES MANAGEMENT FOUNDATION

Dear Vice-President Mrs. Kopp, dear Ministers, Your Excellencies, venerable professors, ladies and gentlemen, I greet you on behalf of the Peace and Crises Management Foundation. Today, when the Foundation celebrates its 20th anniversary, I wish to mention one very important dimension of our work. When Mr. Vukobrat, our founder and president, made the first step in the sphere of strategic philanthropy 20 years ago and started the initiative for the execution of a strategic document whose goal was to present the guidelines for further investments of company *Copechim* into the Balkan region, that is when first steps were made towards the establishing of an informal group of experts, later named the *Cavtat Group*. Strategic philanthropy which is to the full meaning of the word defined as a unique and powerful module for successful combining of company's marketing objectives with the desire to enhance social wellbeing, is based on the complete fulfilment and belief that full engagement in the sphere of civil society produces necessary steps which serve to the society as the indicators of pervading strategic values which have been endangered, obstructed, forgotten or understated. Constant listening of the market and the civil society at the beginning of the 90s has inspired the founder to institutionally and organizationally define the ideas

through establishing a Foundation called a Peace and Crises Management Foundation, and later to implement the ideas through the *Proposals for a New Commonwealth of the Republics of ex-Yugoslavia*.

After long and active work, as well as through direct participation at the 4th *World Forum of the United Nations Alliance of Civilizations* which was held in Qatar in December 2011, the Foundation has received yet another recognition. During the session titled *Long-term Strategy for Global and Sustainable Development Based on Civilisation Partnership*, together with other participants, the Foundation has worked on defining of strategic guidelines for development of civil society in accordance with the *Future of Civilisations Global Forecast for 2050*, when we came up with the following conclusions:

1. Only through an integral approach and through strategic partnerships between various parties involved in the development of society, from the state to each individual, can we make the first steps forward towards the development of process for sustainable development, both on global and local level, for each individual country;
2. The development of new, specific institutions and mechanisms is required in order to implement the said strategy completely;
3. A synthesis of well-designed projects has to be implemented which would lead to revolutionary solutions pertaining to computer sciences, scientific and educational dimension of the society's development;
4. The most endangered areas have to be clearly identified which are of importance for thorough global transformation of society, followed by active participation aiming to change the society in accordance with the set goals.

Even though we are aware that these ideas cannot be understood by all the inhabitants of this planet at the very beginning, it is our desire to do all we can to help these ideas find their way to full implementation.

Traditionally, the primary focus of Foundations is on performing good deeds and providing financial support to socially relevant projects. The fact that the Peace and Crises Management Foundation has since its beginning set enviable standards when it comes to engagement of experts in various fields, citizens and other partners who have given their contribution to the realization of our projects, speaks in favour of the idea that we knew what we are doing from the very beginning, we knew our goals and our mission on this journey. Specifically, the Foundation has over the past 20 years given a significant contribution in the following domains: education concerning the human rights, peace and cooperation in the region based on the principles of regionalization, interreligious dialogue, new economic diplomacy, honouring of diversities

and multiculturalism for better coexistence of citizens, and numerous other projects.

And just as a journey of a thousand miles begins with a single step, I am certain that we have already made several steps on this journey. It is of utter importance to stay on this road we have chosen and to act in accordance with the slogan of the today's conference – "There is no Way to Peace, Peace is the Way".

A large, stylized white dove is the background of the page. The dove is shown from the side, with its wings spread upwards and outwards. The lines of the wings are smooth and curved, creating a sense of movement and peace. The dove is centered on the page and occupies most of the vertical space.

PART I

**REVIEWS OF THE PROPOSALS
FOR A NEW COMMONWEALTH
OF THE REPUBLICS OF
EX-YUGOSLAVIA**

MODERATOR

PROF. VLADIMIR GLIGOROV, PhD

RESEARCH ECONOMIST, THE VIENNA INSTITUTE FOR INTERNATIONAL ECONOMIC STUDIES

Before we begin, I would like to extend my gratitude to Boris and Mirjana for organizing this conference and for the effort they invested into this conference and into everything they did to date, and also to all of you who participate in this conference because, in my opinion, this is a good moment to talk about certain very serious and interesting issues since, at least from the perspective of the present-day challenges, the issues have not changed much since we met in Cavtat for the first time some twenty years ago, even though we then discussed the perspective of the former Yugoslavia.

Today, the discussions pertain primarily to the perspective of the entire Europe, and therefore, the moment is right to reflect on the situation and the challenges as thoroughly as possible. I would like us to have an open discussion and to concentrate on the most important issues and dilemmas we are faced with today, and to focus on the future, without lamentations or discussions about the past which we cannot change anyway.

ELISABETH KOPP

FORMER VICE-PRESIDENT OF THE SWISS CONFEDERATION

Mr. President, dear Mr. Vukobrat, ladies and gentlemen, let me first of all thank you for the invitation for this conference. I was asked to confront also Switzerland with Mr. Vukobrat's principles.

When the Iron Curtain fell an American writer named Fukuyama wrote a book, with the title *The end of History and the Last Man*. He was convinced that, with the victory of democracy over the totalitarian communist countries of Eastern Europe, nothing would follow. He was clearly deluded. As long as mankind survives they will make historic changes, and the historians of the future will speak of continued change. And they will probably say that mankind doesn't seem to have learnt much by the history.

Mr. Vukobrat formulated his principles for a New Commonwealth in 1992 on an assessment of the then overall political and demographic situation in the Former Republic of Yugoslavia, and based on a vision for the Commonwealth of Yugoslavia.

His principles were formulated for the future, not for the then present when Yugoslavia was still suffering from war ravaging Bosnia and from further conflicts. Albeit the recent history of the Western Balkan States his proposals

are still relevant and valuable to the harmonisation of the most important principles of a constitutional framework for all countries of the former republic of Yugoslavia, or as a prerequisite to reaching the accession path to the EU.

Just recently the Chairman of the EU Commission for Expansion, Mr. Füle, made clear that Serbia can only become a member of the EU when its laws comply with the direction of “EU Legislation”. The reason for this warning was, as you will remember, the Serbian decision that the Serbian Parliament should seek more influence on its Central Bank.

As you know Switzerland is a very old country. It is more than 700 years old. The democracy could develop step by step and with many backwards during all these centuries. It is furthermore a very small country with about 8 million inhabitants, of which 22% are foreigners, and with four official languages, German, French, Italian and Romansch. One of the main reasons that this old democracy has survived is the respect of minorities. Another reason is that our constitution provides that no person can become too powerful.

We don't have and don't want a mighty president.

First Principle: Democracy

In his famous speech in 1947 at the University of Zurich, Winston Churchill said: “Democracy is the worst political system in the world, except for all others”. So let us think together about what a democratic system really is, or should be.

A current and primary issue is the financing of political parties. Is there robust legislation, is there transparency?

A second issue addresses information and comprehension of proposed legislation. Is the information clear, exhaustive, leaving enough time for in-depth opinion shaping and discussion; in other words do the parliamentarians or – in the case of a referendum – the people, know exactly what they are accepting or rejecting? If I'm not mistaken the time allowed for the Serbian Parliament to vote on the new constitution was pretty short whereas it took more than ten years for the total revision of the Swiss Constitution in the form of an “updating” only.

And finally a third crucial criterion for “democratic”: Who has the right to vote, are there any limits which might be in conflict with the basic principle of equality before the law, and whom are they going to elect? Is it sufficient to elect a party or might it be necessary to be able to elect individuals for a full term of legislation? The answer to this question is crucial for the role and power of the parliament.

Therefore: “democratic” should be defined by precise self-explanatory constitutional rules requiring more precise laws (acts).

Principle Two: State of law

Under "State of law" quite a few issues are discussed: the separation of powers, the principle of legality, and the right to legal remedy.

The separation of powers, as obvious as it may seem when considered a democratic state, is not just an organisational question. The independence of the judiciary from the other traditional state powers (legislative and executive) needs to be safeguarded by many features. It starts with the election of the judges: who is electing, and by whom? Are judges really independent from parliament if they are elected – In this regard Switzerland has some serious problems in relation to the election and re-election procedures of the judges of the Federal Supreme Court.

Principle Three and Four: Protection of Ethnic Groups and Prohibition of Discrimination

According to the actual interpretation of such issues these principles aim at the same: equality before the law, and prohibition of discrimination.

Prohibition of discrimination has become one of the most crucial issues in the last twenty years, primarily because of migration in various forms.

Prohibiting discrimination also touches the discrimination of languages.

The four official languages in Switzerland have to be respected everywhere: in schools, the public administrations and street signs.

The non discrimination of course includes handicapped people. They should have access to all public places for e.g. to the railway, which will cost millions of Swiss francs.

Principle Five: Decentralisation of Power, Principle of "Subordination" (i.e. Subsidiarity)

Switzerland is the epitome of a federal system based on the "bottom-up-approach": The confederation has only those powers which are vested in it by the constitution.

Uniquely to Switzerland is the fact that on all political levels (communal, cantonal, national) the citizens or, on a national level the parliament, have the right to set the level of taxes.

The fifth principle we are discussing now also includes the principle of subsidiarity.

Subsidiarity, i.e. leaving the decision power to the lowest possible level of the constitutional state hierarchy, has become not only difficult to comply with, but also somewhat ambiguous.

This reminds me of a funny story where this principle is taken to extremes. In Switzerland we have 2 cantons where the boundary passes through a city and even along the middle of the street. Each canton, without consultation with each other, introduced different regulations regarding the behaviour of dogs on the street. However they did not succeed in teaching the dogs how to read these regulations so that they could know how to change their behaviour when they crossed over the street into the other canton.

The EU shows in the recent past how difficult “subsidiarity” is to follow in practice; in some aspects it is not much more than an empty phrase.

Principles Six and Nine: Economic Liberty and Market Economy

Closely linked to freedom is the guarantee of private property. The guarantee of private property belongs to one of the most important prerequisites for economic liberty and a Market Economy.

As far back as the ancient Greeks Aristotle knew that no freedom is limitless. The negative aspect of too much freedom of economy was an issue already recognised by the ancient Greeks and proves to be one of major reasons for the current huge crises not only in this country today.

The transition from social property to market economy was difficult for all countries emerging from under a socialist/communist government. But it was also difficult for the people, to become responsible citizens with rights but also duties.

In this world of globalisation recent history has shown that uncontrolled greed by the few can have devastating impacts on the many. The most obvious of these is the banking crises where a few greedy investment bankers interested only in their personal wealth saw the opportunity to use their banks as casinos. When they were winning everyone was happy ignorant of the fact that it could not last. The effects of this have caused widespread hardship, putting excessive stress on all of the welfare initiatives inherent in a democratic system.

The Social State Principle

As part of principle 6, economic liberty, Mr. Vukobrat mentions the need for “a minimum of material security”. This is a constitutional principle of a social state. When someone is hungry, freezing or sick, freedom is not their first priority.

The bigger the gap between the excessively rich and the poor becomes, the more it will be necessary to introduce social safeguards for the losers. This also helps to avoid social tensions.

The Seventh Principle: Guaranteeing the State Borders

The text refers implicitly to the Commonwealth integrating the former constituent states of Yugoslavia. But precisely this principle, not only for a

future commonwealth, but also respect of international law has already been violated in spite of the Dayton agreement. Yet, the principle as such is not disputable.

Principle Eight: Integration of the Commonwealth into Europe

This is more a political goal than a principle. But it is, and will remain an important goal.

However all ex-Yugoslav countries have achieved a number of important steps towards these goals. They all have ratified the ECHR, which is a prerequisite to join the Council of Europe. And all states are members of the OSCE.

I was asked to comment on the nine principles set out by Mr. Vukobrat.

Remarkable as they are, the political development over the last twenty years—has shown that there is a need for more than these principles. We need – and this is also true for Switzerland – to carefully consider the effects of constitutional principles, and the consequences if they are not respected in their true sense.

Mr. President, ladies and gentlemen I would like to close this opening address by leaving you with some thoughts to debate over the coming days. We have quickly looked at the principles laid down by Boris Vukobrat and have identified some strengths, shortcomings, and examples of what others have tried on the journey to real democracy. Countries now starting on the road to full democracy have a significant advantage over more established countries as they can learn from the best parts of democracy, and avoid the experiments that clearly do not work, or fall short of expectation.

We start with the tenet that a democracy consists of a framework of a Government freely elected 'by the people, for the people' with oversight from an independent judiciary built on merit, not election. This Government then needs to build a social and legal framework based on the rule of law, respect for human rights, free speech, respect for International law, and equality for all. In return the electorate need to respect the law, and take responsibility for their role in society. Only then can democracy come close to the ideals.

I hope that you enjoy your discussions during this conference, and for all participants to share the responsibility of amicable and equitable debate. Many of us have differing opinions, but I hope we all share the same basic values of a just society based on freedom and liberty for all. This is the basis for the way to peace.

PROF. VUKAŠIN PAVLOVIĆ, PhD

FACULTY OF POLITICAL SCIENCES, UNIVERSITY OF BELGRADE

Author of the essay *Principle of Democracy* published in the book *Reviews 2012*

Just like the majority of newly formed countries on the territory of the second Yugoslavia, even after two decades from the formulation of the proposal presented by Boris Vukobrat on cooperation within or between the newly formed independent countries, Serbia is still categorised as a semi-democratic country. Today, this need for the advancement of democracy remains one of the primary principles essential for the development of these societies and enhancement of their mutual relations, which was the starting point or the initial estimate given in my proposal.

It seems to me that there are two crucial questions when it comes to democracy in this region – why is democracy developing so slowly here and what can be done to promote it. In my essay I have given a brief reflection on the well-known reasons which also pertain to the serious and long-standing historical deficit of civil and democratic quality in our region and I will not reflect on that now. The only question, in my opinion, concerns a certain irresponsibility of the newly created countries in relation to the unresolved issues of determining the fate of missing persons, insufficient return of refugees, insufficient level of responsibility for war crimes, facing up the truth about the events in the past, etc., even though, objectively, many of these countries are still more or less burdened with post-war traumas.

What is far more important for these post-war times, apart from the wartime confrontations, is the fact that one of the biggest foes of democracy is still the authoritarian type of politics which also comes in the form of political populism. It seems that it is a political plant that flourishes in our region, regardless of the climate changes, and this authoritarian type of politics thrives not only on low level of political culture, but also on a weak and underdeveloped civil society. I have mentioned two issues of strategic significance for potential advancement of democracy in the region. One issue pertains to the democratic formation and the increase of the capacity of the political class. I have used Gaetano Mosca's term "political class" on purpose, even though I spoke of political elite as well, however, elite implies certain level of excellence, certain quality which is unfortunately scarce in this region. The other significant issue is the quality of the political institutions and corresponding democratic procedures. Looking at the newly created countries on the territory of the former Yugoslavia, I dared to notice that a widespread discontent with the so-called "transitional political elites" has been and still is present in all of them. It seemed to me that the only exception to this was Slovenia, but only up to the moment of the outbreak of the global financial crisis. Therefore, the discontent with the quality of political classes or elites on the territory of former Yugoslavia is especially noticeable

during the second half of the transition process. The first part of the transition was without doubt guided by a political formula, a national-patriotic one, when the support for political elite was conditioned by their success in the formation of new national states, and during this period, both the elites and the masses were the least interested in the advancement of democracy. One of the conclusions of my essay is the fact that, regardless of how painful the disappearance of the second Yugoslavia was for many, including me, one has to accept that the formation of several new countries on its territory is in perfect accordance with the general global trend of proliferation of new countries. In Europe alone, the number of countries has more than doubled during the XX century. One may justly assume that the number of counties throughout the world would continue to increase and there are plenty of reasons for this to happen, but in my opinion, the most important is the aspiration of the nations to preserve their identity and ensure survival. This is particularly clearly manifested at the end of the XX and the beginning of the XXI century, when under the pressure of globalisation, many ethnic groups felt endangered and, of course, every ethnic group which succeeds in constituting itself as a nation believes that possession of one's own state, at least one and preferable several of them, constitutes one of the most important conditions to better protect its language, culture and customs. Therefore, this cultural diversity, in my opinion, is essential for preservation of social diversity and prevention of social entropy, similar to the biological diversity which increases the chances for survival of different species and each individual species. The preservation or advancement of cultural diversity which represents a great value for any society, as well as for the mankind in general, in manifested in two ways nowadays – through the formation and possession of one's own country, preferably as homogenous as possible, or through the development of various models of multiculturalism in nationally heterogeneous societies. The second issue of strategic importance for the development of young democracies in our region is the issue pertaining to the quality of political institutions. The state of political institutions represents the Achilles' heel of young democracies. By this I do not imply only the institutions, but also the democratic procedures. The new institutionalism offers a series of criteria and instructions on how to improve the quality of political institutions. The rule of law would in my opinion be the first criterion. In conclusion, I believe that the exchange of experiences between the countries on the territory of former Yugoslavia with regard to the building of democratic capacities of political institutions helps each of these countries to raise the level of institutions' optimal functionality, to evade poor organizational and institutional solutions and to increase the probability of social learning and advancement of democracy. Thus, I fear that the fate of our societies is in the hands of weak and basically poor and dependent countries. To certain extent, the European integration helps to reduce the weaknesses of the political institutions, but the issue of the advancement of the political class and the political leadership remains the problem of each individual society and

we should not be surprised by the fact that certain results of the parliamentary and presidential elections concern us or our neighbours more than they concern the centres in Brussels, Washington or any other capital in the world. On the other hand, the improvement of good neighbourly relations is essential not only for the successful economic exchange and commercial progress, but also for the advancement of democracy, because democracy is not only the issue pertaining to the political order, but also represents the universal form of social learning where the power of good example affects the entire region.

In conclusion, I see the relevance of Vukobrat's project in the need or the necessity for the newly formed countries to establish firm and diverse regional connections with the old and new neighbours, as parts of different groups and on different grounds. There are various forms of such wider and narrower regional cooperation and one of the most important forms of cooperation and connecting should be incorporated at the territory of former Yugoslavia. Thus, former decades-long life in a single country, easy understanding of one another, cooperation in the field of culture, and in particular the openness of young generations to getting to know one another, as well as the numerous common economic and political interests in comparison to other regions – all this lays good foundations for a better and more productive interconnecting of this region in many directions. This would certainly facilitate the development of democracy in our region.

PROF. VOJISLAV STANOVČIĆ, PhD

ACADEMICIAN, SERBIAN ACADEMY OF SCIENCES AND ARTS

Author of the essay *Principle of the Rule of Law* published in the book *Reviews 2012*

I am supposed to talk about the legal state as I started in 1992, but instead of the term "legal state" I prefer to use the term "the rule of law". Germany had a legal state which they started to create by the end of the XVIII and during the XIX century, however, they have abandoned this idea. One will never find the term "Rechtsstaat" in their rulebooks, only the "rule of law" – an English term. This term is used in the European Union as well. It is an idea with a very long tradition. Plato and Aristotle have set grounds for the idea of a legal state. Plato wrote the *Republic* in the attempt to create an ideal structure where the power would be given to people who are loyal, clever, wise and righteous. Socrates was both wise and righteous, but he was still sentenced to a death, after which two of his students who has city-states, poleis in Sicily, invited him to be their advisor. That is when he concluded that people cannot be trusted with power.

Two things are essential – first of all, those who do get the power must not share their power and privileges with those who supported them, but use

these privileges in the common interest of all; secondly, they have to establish a set of rules, constitutional legal rules originating from the rule of law which have been established much earlier and which governs all those who execute the power. This is what I was talking about back in the 1980 when I said that it would take us 50 years to implement the rule of law, but unfortunately at this moment I also have to say that it would take us 50 years because no progress has been made during the past 30 years, except for the fact that we are now talking about this. Therefore, every civilization is established on a certain set of rules. At the beginning there were moral rules, later there were customs, spiritual and religious rules and only then the stage was set for the legal rules.

Plato and Aristotle have supported the idea of the rule of law. And Cicero, who was not a legal expert but has studied the works of Plato and Aristotle in Athens, has established the following rule to be applied in Rome: *Non sub homo, sen sub lege* – *People ought not be under the rule of another man, but under the rule of law*. In England, Lord Henry de Bracton introduced the idea of the rule of law he took over from Cicero in 1235, two decades after the Magna Carta Liberatum (1215) which was abandoned as early as in 1216 after the arrival of a new king, with a single difference – he added *et Deus* to the Cicero's statement.

On the building of the Harvard University Law School, which is 70-80 meters in length, there are giant letters - *Non sub homo, sen sub lege* engraved into concrete.

One prominent politician of ours, perhaps the most prominent one at the time, who was the president of the League of Communists in 1987 or 1988, said that the idea of a legal state is counterrevolutionary and our people believed him. They still cared more about the ideology and the government of political parties. Our current authorities have rejected this ideology, but have established partocracy.

Serbia does not have a Civil Code, but it used to have it. In 1844, a man from Novi Sad translated the Austrian Civil Code, adapted it to our conditions and it was accepted by the Serbian government as early as in 1844. This Civil Code was revoked in 1944 with the arrival of a new government; it was revoked because all legal rules were annulled. To this day, we still do not have a Civil Code.

The Greeks have discussed the quality of laws, the sophists have discussed the natural laws and morality as rules which exist above the laws delivered by the authorities and which regulate certain civil relations, but these principles and rules primarily use the Roman law. Those are the rules such as *Audiator et altera pars*. I used to tell this to my students, I wasn't allowed to write it, but the students have listened. How many years did Milovan Đilas kept quiet, he wasn't allowed to write anything and he couldn't respond to what was objected to

him. *Auditor et altera pars* does not apply only to legal relations, but also to social and political. The second rule is *Nullum crimen, nulla poena sine lege* – there is no criminal act if there was no law for it at that moment when the criminal act was committed. The Hague tribunal was not established on this rule, it does not acknowledge *Nullum crimen, nulla poena*, because the rules were devised subsequently. Cicero was killed, his head and his hands were cut off, his body was brought in front of the Senate and then they concluded that the number of people who came to see his butchered body was far greater than the number of people who ever read his works. Even though his works were burnt, they still survived. Augustus was the emperor at the time of Cicero's murder. One day, Augustus saw his grandson reading one of Cicero's works and he said to him: "He was in favour of Roman Republic". There are numerous similar examples. Secondly, Confucius and Buddha have devised similar rules for the civilization, and they didn't know that the other one even existed. The primary rule of human behaviour is: "Don't do to others what you don't want done to you." That could be the foundation of all the rules and all the legal systems. Jesus Christ went one step further, he claimed something more, but that is a utopia. He said that people should do what they want to be done to them. Kant said that legislations could be built on this first rule, people can be limited by law not to do what they don't want done to them, but from the perspective of Christianity, Christian love cannot be forced onto anyone through legal rules.

We do not have paralegal, moral and righteous criteria, we have an absence of democratic traditions and institutions, which is permanent and long-lasting; we still have the prevailing forms of authoritarian political behaviour. The fact remains that in the majority of these countries, the civil society is yet to develop. This civil society does not imply the organizations which organize something, it implies well developed commerce, developed culture, developed science, developed universities, free political parties, free trade unions, free institutions, it implies many things and it will take time to develop these notions here. We have the absolute presence of deep-rooted relicts of oligarchic and bureaucratic structures and interests.

In the end, I believe that three things have to be achieved in order to establish a rule of law. The first is the development of civil society. The second is the existence of liberal political culture, constitutionalism – I wrote an article about this for the *Nin* magazine – *Simulation of state and simulation of law*. Our Constitution from 2006 cannot be changed because such changes cannot get a majority of votes in this or any other Assembly. That is not good. For example, the president can be a president of the entire country and the president of a political party. Secondly, each member of our Parliament is required by Constitution to sign a letter of resignation and to submit it to the representative of his/her party. It is prescribed by the Constitution. Thirdly,

we have direct elections. That is one of the five principles prescribed by the Constitution, together with the rule of law. Each leader of the political party may propose 250 members of his/her political party for elections, not these, but the previous ones, and when they get the number of elected representatives, then they choose 20 of these party members for members of the Parliament where the leader of the party does not choose from the beginning but chooses and chooses... Therefore, the leader of the political party chooses and these are not the representatives of the people, but representatives of the political parties in the Assembly who are not allowed to say anything because the leader of their political party has their blank resignation. That is our Constitution.

Therefore, we need a liberal democracy and constitutionalism, the division of power and independent judiciary. This is foreseen by article 17 of the French declaration from 1789, which reads that the country which does not have the division of power and did not guarantee human rights is no country at all. These are our flaws and shortcomings. There isn't a single ideal country which adheres to the idea of the rule of law.

PROF. DR. SC. ŽARKO PUHOVSKI
FACULTY OF PHILOSOPHY, UNIVERSITY OF ZAGREB

Author of the essay *Principle of Protection of Ethnic Groups* published in the book *Reviews 2012*

I will try, based on what we initiated 20 years ago and in accordance with what was said here this morning, to peak a little over the brim and try to establish how the things we spoke about 20 years ago look today. Three elements seem important to me. First of all, the world view context which we spoke about had to be of liberal origin. This context is now faced with a serious crisis. The second context we spoke about, the political context was the context of European integrations. Without doubt, the European Union has embarrassed itself in every possible way and that context is no longer given by itself. Thirdly, the context represented the attempt to rearrange the 255,804 square kilometres covered by Yugoslavia. These attempts were mainly abandoned. The situation in which we are here today is the situation where a wise saying of Jerzy Lec applies: "When the problem becomes politically active, it no longer exists as a social problem". He said this in 1963 and, if I am not mistaken, he thought of the old systems, but it is applicable even today. In other words, when we speak about the minorities, we have the situation that the minorities get the rights when there are no more minorities. The minorities were chased away, killed, displaced, etc., and then the people in Mostar were given the rights they have never had before. This reflects the futility of the today's discussion on minority rights, when we speak about the ethnic rights, because the minorities are practically no longer present there. And only after the biggest Croatian

nationalists realized that the remaining Serbs cannot pose any danger, then they starting talking about adequate solutions for the rights of Serbs as national minority in Croatia, including some, in my opinion, absurd ideas to grant the members of the minority population the double voting rights, the idea which even had majority of votes in the Croatian Parliament and which was, fortunately, rejected by the Constitutional court because is simply does not correspond to even the most basic logic. This exaggeration warns us about a problem which is very important for our discussion in the wider context. We must not fall for the idea of categorical harmony. Democracy goes hand in hand with the rule of law, the rule of law goes hand in hand with the prohibition of discrimination, the prohibition of discrimination goes hand in hand with the European integrations, all of these concepts are somehow packed together, the bow goes on the top and everything is good. The protection of rights is possible only against the democratic principles, because it annuls the fundamental democratic principle of equality. And that is called positive discrimination. Therefore, we are against the principle of prohibition of discrimination if it derives from some other principle, we are constantly in the situation where we have to choose one principle as better or less bad than some other principle, without assurance that it can be harmonized and packed up together to be all nice and good. That is not the way thing work. Not even in the best possible environment, and especially not here where the majority of things mentioned by Prof. Stanovčić apply. If that is not how it works, we then have a struggle between notions, between concepts, between values, then the problem is not resolved by saying “peace, brothers and sisters, let’s love each other and hold hands”, this new age notion where the priests sit around a table, hold hands and kick each other underneath the table. That is not the way to solve this problem and we have all witnessed that. They gather around a table and then send their followers to fight one against each other. Those are the facts. The minorities which had to be taken care of during the 90s have had ill fate. They were all dispersed. All the areas of the former Yugoslavia were ethnically cleansed, with the exception of Vojvodina, or the internal boundaries were introduced, as was the case in Bosnia and Herzegovina and Macedonia. Therefore, the politics of ethnic cleansing had triumphed, the dirtiest of all the politics, no matter how much we talk about cleansing. And then, the benevolent new rulers have decided to give certain rights to the minorities. We still keep the Serbs in Croatia as pets, so to say, to somehow comfort them about everything that was once going on; we give them rights they no longer need and which we didn’t give them when they needed them. Something similar will in my opinion happen here in Vojvodina as well in the course of the following years, where the plot of the Yugoslav drama is yet to be resolved, which is a rarely mentioned situation. In the first context I mentioned, the world wide context, when I spoke of liberal values and when I said that these values have proven to be utterly disputable during the past several years, here we are in the situation which is before us, truth be told, with the same

principles we all took so seriously back in the 1992, where we have certain other minorities which appear as more important than the ethnic minorities, which appear as more endangered – the unemployed or the elderly, etc. Therefore, the political focus will have to be changed on the same moral grounds, and then we will find ourselves under a millstone, in fact in a sandwich, two types of parodied positions which characterize not only the general, but also the theoretical public. Hysterical denial of neoliberalism on the one side and idiotic disregard of reproduction of misery on the other, and the protection of minorities will have to find its place somewhere in between, under the pressure created by both sides of that sandwich, if these principles continue as intended, not as formulated. During a discussion we had in 1998 in Croatia, we have devised the following formula: that moment when the majority of people in Croatia figure out that they should bully the Romani people, that is the moment when Croatia will be ready for the European Union. And that is what manifests itself over and over again. Because the Romani people have no country they call their own to protect them. The Serbian people have their own country, no matter what that country is like, and they shouldn't be touched. And this legendary international law held sacred by so many does not in fact protect the people who do not have a country to protect them because the international law is unbelievably cynical notion. On the contrary, we have to, in fact we must, invest a moral degree of intervention, which means that we have to take a look at those who are in such a situation where it is possible to, as Mrs. Prljević mentioned earlier on the one hand, discuss partnership, synthesis and so on in one of the richest countries in the world, but in reality it happens that none other than George Soros mentions the possibility of a class war in a text on European Union published seven months ago. A depiction of this could clearly be seen as a picture in front of certain parliaments on television yesterday. Therefore, today we have a situation where the idea of synthesis is something that is on the agenda for some later meeting; the goal at this point is to do the opposite, to perform the analysis, disintegration, divorce, deconstruction as politely as possible, with a minimum of violence, with a minimum of discrimination and with a minimum of harm to those who have already suffered enough, to those who have seen the worst of the times, i.e. the victims. During the 90s, we didn't deal with the rich, because the rich were not a separate category at the beginning of the war. Today, the rich are the problem, and when you talk to people, they tell you that not only that they despise the political elite, they also despise the tycoons, but they also lick their shoes – that is the different side of the medal, a part of the post-war situation. Bosnia and Herzegovina is a good example of this. Political alternative after the war was simple – you can choose between war criminals and war profiteers. I am always in favour of war profiteers, everyone else was in favour of the war criminals, but I believe that war profiteers are lesser of two evils. Today, in all of these countries we deem corruption to be more wrong than war crimes, because it is possible to justify war crimes as something done in our name. You could say that they

killed to protect us, but you cannot say that they have stolen in our name when there is no money on our bank accounts. Yes, I know that they have stolen for their benefit alone, but that doesn't mean that corruption is greater crime than war crimes. All war crimes are in fact crimes against the minorities which we have failed to protect, which we could not protect. Those who could protect them didn't want to do so. Now they are gone and thus they believe, allow me to return to the beginning, in this trifold changed context, it seems important for the protection of minorities to be defined in a new way, with respect of the current circumstances.

Mag. ELIZABETA KITANOVIĆ

EXECUTIVE SECRETARY FOR HUMAN RIGHTS AND COMMUNICATIONS
OF THE CHURCH AND SOCIETY COMMISSION AT THE CONFERENCE OF
EUROPEAN CHURCHES (CEC)

Author of the essay *The Principle of Prohibition of all Forms of Discrimination* published in the book *Reviews 2012*

I did not attend the meeting held 20 years ago because I represent a new generation which has to deal with the consequences of these principles and which tries to participate in the development of democracy, the rule of law and human rights. Having in mind that I have been working in the Brussels for several years now, I have made an attempt to make a parallel of my work, a case study of the situation in the European Union and the situation here in the Balkan area, i.e. on the territory of the former Yugoslavian.

The Peace and Crises Management Foundation considers the prohibition of discrimination as one of the key elements, i.e. principles, in the process of stabilization following the disintegration of former Yugoslavia. In my review I have primarily presented the legislative framework which developed during the past 60 years following the Universal Declaration of Human Rights, which reads that all human beings are born free and equal in dignity and rights. When we examine the discrimination principle, I have to mention article 14 of the European Convention for the Protection of Human Rights and Fundamental Freedoms adopted in Rome in 1950 which prescribes that any type of discrimination, i.e. discrimination based on the gender, race, colour, language, religion, political or other opinion, national or social origin associated with any national minority, property, birth or other status is prohibited. When it comes to discrimination, i.e. to international human rights instruments and mechanisms, the international legal framework is rather rich. However, there is a significant problem regarding the implementation of this framework, not only in the countries of the former Yugoslavia, but also on the territory of the European Union. Also, if we observe this issue in the context of Europe, there are also other noticeable problems – United Nations, the European Council, the

European Union and the Organization for Safety and Co-operation in Europe have certain mechanisms and instruments. This gives rise to a question – do we need new mechanisms and new instruments or the implementation of such instruments on the international level, i.e. European level? What really matters is the implementation of these instruments and mechanisms, but the precondition for such a thing is a legal state, as Prof. Stanovčić mentioned. In my essay I wrote about the work of a newly formed institution within the European Union – European Union Agency for Fundamental Rights, formerly known as the European Union Monitoring Centre on Racism and Xenophobia. It is in fact a new institution established in 2008 with a goal to monitor the development of human rights and fundamental freedoms within 27 states. For what reason? The European Union is more concerned about human rights outside its borders than about human rights inside the EU. Somehow it is always easier to watch into somebody else's yard than into your own. It is sometimes very painful. I will remind you that the European Union has a human rights clause in all of its economic and trade agreements, which means that the member countries are obliged to respect the human rights in all trade agreements. The European Commission has an entire unit which monitors these human rights clauses, economic and trade agreements and that is not an easy task, either for the European Union or for other countries which have executed economic and trade agreements. Then, there are directives which prescribe the prohibition of discrimination of European Union and the countries of former Yugoslavia will certainly be obliged to implement it. It is the Council Directive 2000/78/EC establishing the general framework for equal treatment in employment and occupation. Also, article 2 of the Council directive 2000/43/EC prescribes the principle of equal treatment between persons irrespective of racial or ethnic origin.

Article 2 of the *Treaty of Lisbon* prescribes certain important things, and I quote: "The Union is founded on the values of respect for human dignity, freedom, democracy, equality, the rule of law and respect for human rights, including the rights of persons belonging to minorities. These values are common to the Member States in a society in which pluralism, non-discrimination, tolerance, justice, solidarity and equality between women and men prevail." These are some of the basic principles of the European Union. Having in mind that there are several areas in which people can be discriminated by both the government and non-government sector, I will herein draw your attention to certain key points. Age discrimination is one of the major challenges of the European Union, but also here in the Balkan area, especially when it comes to access to employment, because discriminatory treatment is most present among persons between 15 and 24 years of age and between 55 and 64 years of age. This is taken from the last report of the European Union Agency for Fundamental Rights for the previous year. This is a harsh statistics because people tend to say in political debates that "the youth is the future!" It is not quite so – the youth is also the present and that is an additional challenge for

us young ones, because the young are frequently faced with the problem that they are not given the opportunity to work in the field they were educated in, where they could give their best contribution. However, in the transition process, we are perfectly aware that dismissals of employees are very frequent, in particular in the age category between 55 and 64 years of age. The point is what to do with these people? You cannot simply throw them out onto the street, without providing some sort of a program or prequalification for these people. Not to mention, these people have immense experience, and the youth has so much to learn from them. The question arises – who is going to teach the youth to work, to produce, etc.?

Furthermore, another major challenge is the social disconnectedness, i.e. exclusion, where I would like to remind you that 20 million citizens of Europe are living on the edge of poverty. When I discuss poverty with my colleagues in Brussels, this topic became predominant with the latest financial and economic crises which, as I see it, started in 2008, I say to my colleagues that the crises in the Balkan area has started 20 years ago and I advise them to take a look at the Balkan and their experience, to examine how western Balkan faced the crises and survived for the past 20 years, because the crises is something new for them. What is important in these times of crisis, and this crises is now all over Europe, is to hear the voices of the marginalized groups, to establish platforms where such people would be given the opportunity to express their needs on the local level. Religious discrimination is also one of the key principles. This aspect is especially important on the territory of former Yugoslavia because religion and nationality were interconnected during the latest Balkan wars, where we had Serbs who were Orthodox Christians, Croats who were Catholic Christians and Bosniaks who were Muslims. If the religious freedoms were implemented, it would have been difficult to identify the nation and religion to such an extent that only Serbs can be Orthodox or only Croats can be Catholics or only Bosniaks can be Muslims. Also, I have examined the principle of discrimination based on racial and ethnic origin. What is interesting is the return of the refugees who were expelled from their own homes where we have the situation today that people do not believe in human rights, they do not think that these rights are guaranteed simply because these rights have not been implemented. These are only dead letters. They exist in the international legislation, however, if such legislations were not transferred into national instruments and mechanisms, if it wasn't implemented by the political elite, than it becomes a major challenge we are faced with and a question for the future to try to find a way to solve this problem. The other major problems are the Romani people. As it was previously mentioned, they do not have their own state and they are also discriminated. One of the interesting issues that appeared in our discussion last year was the EU Framework for National Roma Integration Strategies up to 2020. It was interesting when the Roma said: "We are hungry!" The citizens replied: "We are

not Romani, and we are also hungry!" You have people who simply cannot afford a decent living. Also, a new concept has been born in the European Union and that is the concept of multiplied discrimination. This concept is still being worked on. It still hasn't taken momentum, it is implemented in only six countries; however, it is still not clearly defined by the European Union. This concept implies that, if you have been discriminated in several ways, you are ought to receive a corresponding compensation of victims, which means that the compensation you receive increases if you are being discriminated in more than one way. Mrs. Kopp mentioned the discrimination against individuals with disabilities. Eighty million Europeans are struggling for the freedom of movement; they are trying to find their place in the society, together with their families. She mentioned how costly that was for Switzerland. I will only reflect on the new directive proposed by the European Commission in 2008, which concerns the discrimination on the grounds of religion, age, sexual orientation and disability. And the major disagreement among the member countries comes in the form of their approach because these issues are enormously costly.

The last of the principles I have addressed in my essay is the discrimination based on gender. The women in the Balkan area are still faced with the problem of being paid less than men in the private sector. Also, the participation of women in the political authorities is still disputable; the goal is to achieve 30 to 40 % participation, which corresponds to the standards of the European Union.

H.E.MRS. SLAĐANA PRICA

In my opinion, it would be good if we would dedicate ourselves to things which would be useful in the future, before most for recognizing of situation in which countries have come into existence on the territory of former Yugoslavia, even though I never call them "former republics" or "ex-Yugoslavia" because I find it offensive. Unfortunately, one of the countries still has to put up with this prefix. Where are we today, how far have we gone from the situation in which the republics of Yugoslavia were when they couldn't avoid and prevent the bloodshed and confrontations, both from the economic perspective and any other perspective, when it comes to the degree of democratic development? Through my work, I monitor the degree of democratic development on daily basis, the development of democratic institutions in all of these countries, the fact that these countries have become members of international organizations like the United Nations, OSCE, Council of Europe; the fact is that through the process of joining these organizations, the countries were taught and forced to harmonize their legislations, if nothing else, with the highest standards; the fact is that we are still not taught to adhere to these rules, regardless of whether they come in the form of constitutions or laws, to face the same problems,

because we have finished the bloodshed with the same problems, whether we shared the same laws, or even worse, practices, not to mention the mentality, the fact that the same prejudices still rule this territory, that we still have these dictator-like majorities, whether they are political, party, autocratic regimes, whatever they are called in theory and however they exist in practice, where all of these are seen as a fundamental obstruction to the development and strengthening of democracy and where none of these countries is prepared to tackle these issues. I wouldn't say that this applies only to this region or the territory of the Western Balkan; it certainly applies to the South-East Europe as well. What is noticeable during these past few years, and in particular after the changes that took place in Serbia, it is hard for me to call them democratic changes, but the fact is that there is interest for cooperation; there is this need to face the past and to recognize the guilt of those who are responsible for that past, as well as to search for ways and modes of cooperation. True, the interest might be of economic nature, but our mafias are still cooperating better than our police departments and I don't think it will change any time sooner. Also, it was recognized that we have much in common that makes our lives easier, from language, culture, tradition, even the fact that we don't stand together at all of these meeting even though our interests are the same, or we take the same criticism, but we constantly socialize in this splendid isolation. Somewhere in the corners, even during the times of most fierce confrontations, you could always find people who communicate normally and agree on things.

I would like nothing more than to try to continue with the "Cavtat principles". Now when I read them again, I was not involved from the very beginning, I still see myself as a "uidian". Perhaps I am a Yugo nostalgic; it is not easy when your country is taken away from you. I do not think that the connections established so far are sufficient; I doubt that these connections would be better tomorrow, but we all have a common goal – European integrations – that is something we all aspire. The Europe and the European Union in ten, fifteen years, when all the countries from this region join, will be far from what it was ten, fifteen years ago. As far as I can see in the Europe in the region, two thirds of directives, and this is difficult for me to say in front of eminent experts such as Vladimir and others, but two thirds of regulations adopted by the European Commission are not being implemented on the level of central authority, but on the level of regions. I sincerely believe that the solution to the "Albanian issue"; I do not call it a "Kosovo problem" because I don't want to call it so and to treat it so, this issue will also be solved through democratization, through the normalization of relations on this territory, and certainly, it will be solved through a process because Kosovo is manifesting slower progress on their road to democracy and democratic institutions, with the help of international community, because that is what the citizens of Kosovo need and what the entire region needs.

AZEM VLLASI

ATTORNEY

When we look back at the very beginning of this initiative of Mr. Vukobrat, sadly we have to remind ourselves that 20 years ago this region has witnessed tragedy and devastation with the sound of fanfare and war music. Now when we take a look back, all we see are the things that were devastated during this period. The principles of ethnical tolerance, multiculturalism have reached the ground zero and went below it. The initiatives, ideas, all that was written and communicated to various addresses, it somehow found its place, but the question now is whether we have reached a phase when we overcome the consequences of what happened or do we still have to invest great efforts to stop the negative tendencies. To stop everything that manifests the symbols of further decay. Now we are faced with an economic crisis, and we all know that these crises, both in Europe and elsewhere, were never a god moment to draw the attention of the community to solving some other problems. It is true, we are poor, we are in deep economic problems, but let's be humane, let's do something to improve ethnic tolerance, conciliation, overcoming, to make a step forward, not the contrary. The economic crises have always been beneficial for deepening of crises in all these aspects, and thus it is up to us to provide suggestions in this respect, we have to prevent the denial of Bosnia and Herzegovina's independence, we have to help overcome ethnical divisions which exist in Macedonia, Bosnia, Kosovo, we need to help make one step forward in facing the reality and leaving the past behind, especially from the centres from which all the tragedies have originated. We need to focus our attention, because not only that the consequences of the past have not been remedied, but they have endured as a potential fuse for new problems and new confrontations.

SAVA ANĐELKOVIĆ

ATTORNEY, BELGRADE

It is my great pleasure to be here today, to attend this meeting which also bears responsibility, because here we have the intellectual elite in the true meaning of the word. I wish to extend my gratitude to Mr. Vukobrat who organized this event. One suggestion for the organizer – more young people who have grown in the course of these 20 years should be involved, because they are active in the political world, scientific world, artistic world, and they are not here, but I believe that it is important for them to be here, they need to be heard, they have their lives ahead of them and they will be living the lives we are trying to achieve here. I agree with the slogan *peace is the way*, and I propose for this conference to provide an answer to the following question: how is it possible that in the XXI century, in Serbia, our children cannot play in the open space, they cannot be in the open space, in the park, because there

spaces are covered with cluster bombs. We cannot speak about peace and say that peace is the road, when this road is covered with cluster bombs. First of all, something physical has to be done to remove these unexploded bombs, to destroy them, and to give what the nature has given us, the parks, forests, ski resorts, sport fields to children, so they can live and play and enjoy freely.

PROF. ILIJA VUJAČIĆ, PhD

FACULTY OF POLITICAL SCIENCES, UNIVERSITY OF BELGRADE

Author of the essay *Principle of Decentralization and Regionalization* published in the book *Reviews 2012*

There is a tendency, especially on territories which have had wars in the past, but also in other postcommunist countries, where there was this enormous centralization which was clearly noticeable during the war times, it is very difficult to turn this centralization into decentralization. Decentralization, together with the democratization and the deregulation, represents a framework in which we can observe the problem of decentralization and regionalization. The framework exists because one cannot exist without the other, and both of them cannot exist without the third, because any attempt to establish decentralization without the democratization and deregulation would be a waste of time, as we could notice in the former Yugoslavia which was relatively highly decentralised, but was not democratized and there was no deregulation.

In Serbia, the issue of decentralization is in particular connected to the issue of regionalization from the time in 2005 through 2009 when various proposals of constitutional character were presented and various models were offered, models of decentralization and regionalization which, unfortunately, did not play a role when the Constitution of Serbia was being adopted. Today, in all former Yugoslavia republics, we have a situation that nothing much has been done, even though there were processes leading towards the decentralization, there were attempt to create models and deliver decisions to execute decentralization, starting from the earliest attempts made in Slovenia in 1993 to the latest attempts in Macedonia in 2005. We still have a competence of state and central authority which is simply too strong. The relationship between the state and the local authorities are not partnerships, they are hierarchical relationships. There wasn't a single attempt to introduce regionalization, a fundamental reform of local self-government was not introduced, and the only thing that was achieved was that the capacity of local administration was partially increased. Not to mention these very regressive tendencies which took place – from 1990 when Serbia has adopted a law which took away majority of jurisdictions from the autonomous provinces to 2005 when the state has practically become the owner of the city's assets and thus

practically disabled any attempt of achieving serious decentralization. When we transfer from authoritarianism and command economy to liberal democracy and market economy, we have to say that we then encounter a problem related to the close connectedness of democratization and decentralization. We have to consider the experiences of other countries. Before most, by this I imply the positive experiences of the countries which walked on the same road of connectedness of these 3D – decentralization, democratization and deregulation, such as Germany and Italy after the World War II, i.e. Spain after the Franco's authoritarian regime. It is a long process – for example, in Spain this process lasted for 18 years, 9 years in the Czech Republic, 6 in Hungary, from the decision to implement decentralization and establishing the concept of decentralization until the first results of decentralization. I believe that it is important to approach this issue from the pragmatic point of view, not with theoretical models which have to be implemented, naturally, in accordance with the conditions. The approach has to be pragmatic because this decentralization is frequently performed with the idea that there is someone above who will create a good concept of decentralization and regionalization, who will make a clear distinction between the regions, who will determine the exact number of citizens, perform various economic calculations in order to determine the boundaries of regions and municipalities. I think this is a wrong way and that we need a pragmatic process which would imply a dispositive principle which would imply that there are different degrees of potential decentralization and regionalization corresponding to the different degrees of authority and everything implied by a concept of regionalization. The second rule or principle would pertain to the openness of the model, which would mean that a constitutional framework would have to be set which would determine the maximum of authority which a region, i.e. municipality has to have and the minimum of the autonomy which would provide good will and full freedom of choice of lower units which will then determine the level of authority they will take over having in mind their needs and possibilities, in accordance with the economic situation, resources, capacities, management capacities, in other words, they will then practically determine how they will be organized within the said framework. Apart from the concept of openness within the constitutional framework, the third important principle would be to establish procedures which would provide a way how to take over authorities. This should satisfy the four fundamental principles which are necessary, whereas other issues should be open and moved to lower levels of organization where people would be given the opportunity to determine what they want and can deal with when it comes to problems which are bothering them and which they want to solve. And there is the principle of democracy, because democratization may appear without decentralization, as was the case in former Yugoslavia, and we all saw how that went. Also, there is the principle of subsidiarity, both in a horizontal and vertical meaning of the word. Vertical in the meaning that everything that can be done by a lower level and narrower

community should be done by such a community, whereas the problems such community cannot tackle with should be transferred to higher levels. Horizontal in the meaning "the more societies you have, the less state you have". I would also call this principle a liberal subsidiarity and I consider it to be very important, but unfortunately it is not frequently taken into consideration – it is the principle which comes down to this – all the things which can be done more efficiently by some private agency should not be left to be done by huge, inert and problematic public institutions. The next principle is the principle of economic rationality which implies that the risk factor should be taken as a decisive factor which is to determine what falls under whose responsibility. Only when the decisions and investments are made by those who will actually feel the consequences, benefits and problems of such decisions, only then can good decisions be reached, and that is why this principle of economic efficiency is so important. And finally, there is a principle of liberalism which implies that a country should be as narrow as possible in its scope of action, that there is a lowest possible degree of regulation and the lowest possible degree of regulation not only on the central level, but also on lower levels of territorial organization of authority, with a simple goal to avoid over-regulation which smothers initiative, entrepreneurship and competence of local communities, municipalities and regions. This is a very important factor, more important than the factor of democratization within the decentralization principle. In my opinion, the factor pertaining to the efficiency of decentralization principle is the most important one and that these four principles enable consolidation of openness and dispositivity of future projects and desires, needs and competences of those who would like to be regionalized.

PROF. ZORAN PUSIĆ

PRESIDENT OF THE CIVIC COMMITTEE FOR HUMAN RIGHTS, ZAGREB

Author of the essay *Principle of Personal Freedom* published in the book *Reviews 2012*

Whenever I attend these interesting conferences and discussions where we exchange opinions and attempt to find a way out of the present situation, I always think of a conversation between two characters in Shakespeare's *Tempest*, when one of them says: "I can summon the forces of the dark from the depth!", and the other one replies: "I can do that as well, but the question is whether they will come!"

This conference of ours seems like a paraphrase of a well-known parole from 1968: "Let's be realistic, we are looking for a democratic, just and socially sensitive country." The question is whether it is possible. All of these attributes always sound somewhat utopian. Are they utopian? Are the requests presented in the *Proposals for a New Commonwealth of the Republics of ex-Yugoslavia*

also partially utopian? Yes. Of course, now when you read these proposals, they seem reasonable, well intended and we cannot help but wonder – how many lives would have been saved, how many dark days would be evaded had the politicians listened to these proposals. Some foresights mentioned in these proposals have proven to be far less utopistic than the politics of the leading real-politicians of that time who looked down on these proposals with contempt and sneer. Judging by some of its predictions, say: “after the end of the war, those responsible would be put on trial in an international court whose judgement handed down to extremists would remove collective guilt from the people”. At the time there was no such a court in sight, and many of these real-politicians who looked down on such proposals and predictions sneeringly and contemptuously ended up in the dock of such an international court established precisely to prosecute them.

The topic I wrote about is the principle of personal freedom. There are various aspects. It crossed my mind when I was reading the letters sent by Nehru to his daughter Indira while he was in prison, in the attempt to contribute to the education of his daughter through a series of short essays about various issues, economy, science, social aspects. I was more than impressed by the content of these letters, by the benevolence, rationality of arguments – when you read these letters, you are under the impression that they are written by a free man. Therefore, personal freedom is to a great deal our internal freedom.

It is easier for most of people to avoid a philosophical discussion about freedom than to understand when this freedom is in danger, and in fact, many people perceive freedom as freedom of external and internal limitations. When we speak about freedom, we always see it as a lack of or the lowest possible number of social restrictions, at least throughout the longer part of human history; in fact these were natural restrictions which have limited our freedom because they were limiting the freedom of choice. Whether we have the freedom of choice or not, that is a disputable question, but let us just say that the latest research has shown that our brain starts with the preparations 10 seconds before we are even aware of our decision. Thus, the prevailing opinion is that such type of free will and the freedom to decide does not exist. However, when it comes to the limitation of choice, I think of a party discussion about freedom, when I said that in my opinion, freedom is proportional to the potential possibilities a person has. Pygmy people are, in fact, the most free, because they have the following options: to catch the antelope or to die of hunger or to be eaten by a lion. They don't have much of a choice. People in the Soviet Union are most certainly not faced with the danger of being eaten by a lion, but still don't have much of a choice either, because this “social security” is such that it doesn't offer them possibilities. On the other hand, Pygmies may say whatever they want to, they can travel wherever they want to. We, the people of Yugoslavia, are then somewhere in the middle. Later, on

the following party meeting, I was accused of saying that Pygmies have more freedom than people in Yugoslavia. That is how it turned out.

The aspiration towards freedom in people who are discriminated, who are under pressure, is without doubt manifested, regardless of the civilization and race, and we can consider it to be one of the basic human characteristics, as an axiom of human society, so to say. In conclusion of this brief review of personal freedoms, I added two charts which offer some hope, because they indicate a general tendency, observed not over a very long period of time, but over the past 30 years, a tendency that the number of democratic countries is increasing, more and more countries are through an independent method characterised as free. What will happen here? During the Yugoslavian era, a famous American satirist, Art Buchwald, wrote that Yugoslavia is building socialism on the concept created by Marx brothers. It seems to me that the democratic society in these countries which occurred later was modelled after a story written by William Jacobs, *Monkey's Paw*, in which wishes were granted but in a way which made you want you had never made a wish at all. I have listened to what was said here about this and it seems to me that long-term forecasts are very difficult to give; they only make sense in a long run. This second topic, economy, seems to include more and more mathematics, but the thing we are talking about here is empirical. I have listened to academician Stanovčić who spoke about Plato, Aristotle and Cicero in relation to the social and legal issues, but he has mentioned them as relevant authors, as relevant opinions in the today's society. Imagine, if you please, a conference about elementary particles where someone cites Democritus and Leucippus as relevant thinkers. It is incomprehensible. But it is possible here. It seems to me, since this is still an empirical stage, that it is important to mention good examples. I would like to conclude my presentation by giving a good example which, in my opinion, ought to be followed. If we were to construct a rocket to fly us to the Moon, we would most certainly consult the experiences of the people who already did that. The same applies here. I believe that there are good examples, I will mention one that comes to my mind and the one which requires consideration and that is the Nordic type of cooperation, the cooperation between the Nordic countries – Finland, Sweden, Norway, Denmark and Island. They constitute a so-called Nordic Council. These countries are not as different from us as it might seem at first. They also have large minorities, tension among these minorities, Swedish people in Finland; some of these countries have joined the European Union, but did not join NATO; some have joined NATO, but did not join the European Union. They were at war, a little before we were, against each other, and today they represent something described as “a bumblebee that can fly”. In theory, every aerospace engineer will tell you that in theory, a bumblebee should not be able to fly. However, we have all seen them fly. The same goes for these countries. Together, these countries have 25 million of citizens and are the 9th largest economy in the world. When compared to other countries

with the similar number of citizens, but which are ten or fifty times larger, then we fully grasp what it means. At the same time, these countries have a very high, if not the highest, standard when it comes to human rights and social state. How is that possible? How can these two things which are contradictory and opposite exist in one? I believe that this is a good example from which we can learn, but I also think that this example has another advantage which we are all aware of, and that is that these aspirations of ours, after all these wars, have to find their way out of this room. People don't think in the same way an average person in this room thinks. There are animosities and it is not that easy. As Šeks once said: "A fool spits into a well and it takes the wise men 20 years to clean it", which is in fact a very good description of what HDZ has done. This Nordic model, introduced bit by bit, would be more easily accepted here than a model for which opposing party could always say: "We know them, they want to bring back Yugoslavia", regardless of whether it is true or not. We know that this victory is taking place and that it has its gravity. To conclude, I believe that these proposals given in 1992 should be accompanied by concrete examples which will be deemed as acceptable in this region and which could be implemented here.

PROF. ZDRAVKO GREBO, PhD

UNIVERSITY OF SARAJEVO

Author of the essay *Principle of Border Inviolability* published in the book *Reviews 2012*

I will try to present what I have written as a provocation. Peace is the way, that is true, but a war is a way as well. That is what we've learnt. The late, we call him president, but he was not a president, he was a presiding president of the presidency, Alija Izetbegović, used to say: "There will be no war. The war requires two sides, there will be no war." No one has ever seen a more brutal war than the one in Bosnia and Herzegovina. It takes two to tango, but it takes only one to go to war, so playing around with these tricks is not healthy. I don't believe that the war on the territory of Balkan, Western Balkan, South-East Europe, whatever you call it, is possible, but the enhancement of tensions and animosities is indeed possible and it is very difficult if give someone a textbook in political theory, and then learn from the Norwegians, the Swedes, the Finnish, etc. I fear that it is not the best of approaches. My topic was the inviolability of borders. If we talk about the possibility of our coexistence, whether on a social, cultural or any other level, or perhaps in some quasi or semi political integrations, the question of our coexistence would come down to this – to inviolability of borders.

My first thesis is that all the wars, the beginning of the whole story, with the prelude in Slovenia, and then in Croatia, and then exported to Bosnia and

Herzegovina where we always pay the high price, and then Kosovo – all these wars were instigated because of the borders and we all know this. Therefore, this general project in which we participate also mentions the principle of inviolability of borders. My first thesis, who seeks the change of borders, who are the subjects and on what grounds? The second question, how do international documents and international bodies regulate this issue? And third question – why? For more than 20 years, these issues have remained unresolved among the former Yugoslav republics, now countries. These are fairly difficult question. They include a definition of the right to self-determination, they include the question who has the right and how they use the right to self-determination for secession. The third question on this first level is that you have an internal aspect of the right to self-determination, which says that the individuals are the bearers of the right which determines the form of government they want to have, and you have an external aspect, an offensive and defensive concept of setting the borders. The third thing is, if we are to arrange them in a sequence, and I think that these are, in a way, previous issues, when we faced the horror probably not desired by most of the normal people, and I agree with Vukašin Pavlović that these are not elites because elite would imply a positive connotation, but war leaders, and I am not accusing anyone in particular, what happened – happened and we found ourselves in the situation in which we were.

You have the first document which pertains to this issue, and that is the Badinter Commission which responded to the questions posed by Serbia, whether the Serbs in Croatia and in Bosnia and Herzegovina have rights, including the borders.

We have the UN General Assembly Resolution, we have the Vienna Convention on International Treaties, and we have the Helsinki Final Act, which regulate the inviolability of borders. Once again I shall return to my original thesis, if we are going to have a general debate, I would like to return to this issue. If so, my thesis is that the wars have started because of the borders. Bottom line, the simplest example – all Serbs in one country. On the other hand, Badinter's response was *Uti possidetis juris*, therefore, the frontiers remain guaranteed and cannot be changed in a violent manner, where no act achieved through aggression will be internationally recognized. That is something we have to face with.

Are you ever troubled by the fact that ever since we have received invitations for this conference, several things have happened which speak in favour of my third question – why is there no readiness at this moment to solve the problems with the borders among the newly formed countries. Recently we had a soap opera *Kosa – Pahor* concerning the Bay of Piran which did not end as a love story, because something has happened. There is a problem between

Bosnia and Herzegovina and Croatia concerning the bridge on Pelješac. There is a problem between Bosnia and Herzegovina and Montenegro concerning Sutorina. There is a problem, this time not between Bosnia and Herzegovina, but between Milorad Dodik concerning the border on river Una. These are all potential sources of confrontations. I do not have the answer how to solve these problems and with this I will finish this segment of my speech.

I will not return to the issue of Bosnia and Herzegovina, because it is used as an example of many things, it is such a unique country that there is nothing like it in this world. It is so unique that it is a wonder how it even exists as a country. But in this context of inviolability of borders, we have two problems; I mention them as hypothetical problems. The first problem is a problem of so-called porous external national borders and very strong internal borders, and when I say this, I think of the Federation of the Republic of Srpska. There is also a problem that was never solved, at least not at this table, where we have a quite straightforward frontier between western Macedonia and the remaining Macedonia; you have the problem “under no condition will we...” – Tomislav Nikolić to the General Assembly. Therefore, there is a problem with internal boundaries, not only external boundaries, since they are protected and may be subject to agreement, negotiations among normal people. I might sound ridiculous. A potential solution is – let us join Europe. All of us. All together. Because at that moment, even though I know there is no moral in it, no principle or any response for the hideous crimes we did against each other, but one day, when we stay as a black hole in the middle of Europe, and I believe Croatia has already joined the EU, then all these questions will somehow become irrelevant. It is not an easy question – we did murder, kill, destroy each other. It is good that we have rounded up our borders. Is the solution – let us join the EU, because then the rules would have to be obeyed. When you enter a plane, there are rules, they clearly say how you are to behave, no need to play smart. This solution clearly says that we are all for Europe. Slovenia and Croatia are already there, Montenegro, Macedonia, Bosnia and Herzegovina, Serbia, Kosovo, we are all for Europe. There is only one other question which concerns the borders and integration. All ruling politicians will tell you in your countries that Europe has no other alternative. You have the answer – yes, Europe has alternative. Europe as an idea, as an integration and as a concept has an alternative in the attempt of Russia to rule over this region once again or, since I come where I come from, a practical response is – one closed door, now I am talking about Turkey, but thinking of Bosnia and Herzegovina, one closed door mean that some other door has opened. If you do not want us in Europe, because of the Islam, because of the terrorism, whatever the reason, we have an alternative – the Organization of Islamic Conference. That is not something you would like to play with. These are serious things which have to be made clear.

PROF. MOJMIR MRAK, PhD

FACULTY OF ECONOMICS, UNIVERSITY OF LJUBLJANA

Author of the essay *Principle of Integration into Europe* published in the book *Reviews 2012*

The principle I was working on is the integration into Europe and thus I will continue to talk about Europe. Even though I was not involved from the beginning in 1992, I did attend the meeting in Cavtat which before most covered the economic aspect, but it is interesting to view these two documents now in the context of Europe. We should observe two things that existed at the time and I am not sure whether the situation has remained unchanged. There was one thing at the time on which we were somehow unanimous in different situations, but that is what the European Union is all about, I can see that and it was clearly described in the principle. It is interesting to view from this point of view the issue of accession. At the time, it was said that we have to enter the common European community, therefore not to become members because the membership was to come later. The EU 12 at the time followed the logic not to expand the Union. I am talking about the first 12 countries, which did not include, for example, Austria, these were the times prior to the commencement of negotiations with these, up to that point, neutral countries which did not accede until then. But the concept was the European Union which was a goal that was miles away. If we are to observe such European Union from this standpoint, at the time it was a very attractive proposition. It was the end of the 80s, the issues of four freedoms were discussed, and the negotiations about the monetary policy were in the beginning stage. After ten years of crises within the European Union, between 1975 and 1987, 1988, that was the propulsive period of the European Union and that was the time when such documents were written. I believe that today we have to observe these issues in that context. The other thing, if we are to observe the document created in Cavtat from this perspective, even though it has economic connotations, it was created just before the summit in Thessaloniki when the political commitment on the side of European Union was still strong. At the time, the negotiations with 10 countries were in the final stage, but politically it was clear that the EU should continue to expand, however, as far as the countries in this region are concerned, I think that nothing has changed during these 10 years. Truth be told, certain countries such as Slovenia have already finalized the negotiations, but the common goal, what we actually wanted, did not change much during these 10 years. If we observe this process to date, together with the present situation, I think that the today's European Union is something completely different and it is much less clear which road it is going to take. We should take a moment to reflect on the perspective of the European Union during the following ten years, where is the European Union going and what is it. In that context it is quite clear, and I would be honest here, that the destiny of

Eurozone is questionable, I have to say that if certain problems are to occur in the Eurozone, and by problems I do not mean the withdrawal of one or two countries from the European Union because that would not constitute a major change, but I refer to really serious, more or less uncontrolled disintegration, I believe that the European Union would cease to exist. That is what I personally believe. I think that it is not possible to move one step back from the monetary union. A problem with the European Union is the fact that it was a process that was politically and economically motivated and it run as a clock, without stopping. And the problem is that you have moved from the customs union to the four freedoms, which was good and worked well, and then moved to the monetary union whose conditions are more complex, I would say "textbook" conditions. We have entered this arrangement, even though it was known that Europe is not the best example of the optimal currency area. And what have we been doing for the past two years? During these two years we have essentially tried to meet the conditions required for the monetary union. And I am not certain that we are ready for that from the political perspective. The European monetary union cannot survive without going into a real fiscal union. It cannot survive. All the things we are doing now, with all the funds, EFSF, all these are *de facto* parallel systems for the budget. You have the European Union with 1% budget which cannot play a role in stabilization. But these are the issues that will have deep impact on the European Union. So that is one thing, it is still a goal, and it would be good if we would consider it. The next issue pertains to the process. We do *de facto* have two countries which have joined, we had the political commitment in 2000, but it is obvious and clear to all of us that there is certain saturation in the European Union. All these internal problems have *de facto* set the enlargement process aside, and it is clear from the negotiation process. Take a look at the mode of negotiations with Croatia, for example, which is significantly different than the negotiation process for other ten countries at the time which differentiated in only two or three issues. Now you have the screening process which is the first phase and it is far more significant than it used to be. At that phase, there were no conditions for opening the negotiation process, only conditions for closing the negotiations. The situation has changed significantly. The next issue which comes from our accession, and by us I imply Bulgaria and Romania as well as part of the later enlargement, we have one type of experience. You know, we have adopted the legislations quite nicely, we adapted it, but the problem is that these institutions do not function to various degrees. I believe that one of the problems we have in Slovenia today is the problem concerning the institutions, the stability of institutions, which is not directly related to the European Union, just to be clear. I believe that the economic problems in Slovenia are related to the fact that we simply did not understand what the monetary union truly meant, not the European Union. Because, it really completely changes the concept of economic policy. What the Europe would be like? All I know is that countries are joining the EU. Some countries have already joined. And I have to say that in Slovenia, for the

first time, people are starting to seriously discuss the nature of the European Union, what is it going to be like. No one discussed these issues prior to joining. The second thing is joining the European Union; I am not certain whether the joining is still the priority of the countries which still did not join the Union as it used to be in the past. For example, take a look at Macedonia. I am really not sure that their priority is still joining the European Union as it used to be. Perhaps I am wrong. There are people who probably know more about this than I do. Montenegro is opening the negotiations process. These things are a bit blasphemous, yes, we are all for the European Union, but I am not sure whether it is really so, especially because you do not know what you are joining, it is a moving target. And a third thing, this crisis has definitely affected the model of economic development which we all have more or less implemented. The situation is a bit different in Macedonia and clearly Kosovo, because they did not have the resources, but the model is changing for all others, it definitely does change. And also, the concept of joining the European Union has had a significant influence on this model.

PROF. VLADIMIR GLIGOROV, PhD

RESEARCH ECONOMIST, THE VIENNA INSTITUTE FOR INTERNATIONAL ECONOMIC STUDIES

Author of the essay *Principle of Market Economy* published in the book *Reviews 2012*

The first issue I wish to mention relates to the free market and the European Union. The first question is what are the boundaries of integration? Strictly speaking, the European Union does not make much sense without the free market. The common market, or a unique market, represents the fundamental concept of the European Union. All other things can, but do not have to be added to it. Truth be told, there is the vision of a United Europe, but the current problem is that this vision has essentially disappeared, especially in the sense of democratic, practically federal states, and what appears now as a problem is the fact that at some point there will be interest to close these markets. That is the borderline of integration. Now there is this enormous protectionist drive in Europe. The Monetary union is one thing, something that can be discussed. Whether something should or shouldn't have been done, is a completely different topic. The key question is – if you start with the disintegration, the next step is the monetary union, then the financial system and then the customs. This system would be very difficult to maintain without the customs. You have a disintegration of the common market. That is the first thing I wanted to say.

At this moment we are actually examining the boundaries of integration, as was the case during the 80's in Yugoslavia. The second issue concerns the regional cooperation in the Balkan area, in the so-called Western Balkan. You have the

same problem, but on a small scale and, so to say, from a different angle. What are the possibilities of integration and the setbacks of integration? When you observe these markets and those relationships, at this moment you have the so-called CEFTA, free trade zone, but as Mojmir said, what is the dedication to it? In fact, you have very poor dedication to implementation of the principles of free market. You have a reverse problem where you cannot seem to overcome this infatuation with protectionism which is justified in thousand ways – nations, boundaries, all kinds of things... You have internal boundaries, as Grebo said, which are economic. And finally, do you know what used to be a problem in Yugoslavia, what is a problem at this moment, what is the problem in the European Union, what is the problem for the future, and that is: when you are a small country, to what extent is the external agenda more important than the internal agenda. In other words, what is more important to you – to fight against your neighbours or to have an open economy? If you take a look at what was going on for 20 years, and as far as I can see will continue for another ten or fifteen years, these ideas are getting stronger; here you have the domination of internal goals, but in fact the decisions to integrate into Europe were never delivered in the majority of these countries. Don't even get me started on the free market. Certain countries are not members, for example Serbia which hasn't yet become a member of the World Trade Organization. That is a pure protectionistic interest. The situation is the same in Bosnia and Herzegovina, for a number of reasons. It is, in my opinion, essential, those are two essential issues – what are the boundaries of integration and where is the dedication or interest to maintain protectionism. A discussion about whether market economy is a dead-end or not is endlessly interesting. That is what I would like to discuss instead these practical issues. However, from a political point of view, or from an economic point of view, and even other politics, when it comes to keeping of personal freedoms, keeping of identity, etc., in the end when it comes to social security and safety, the fact that there is no real alternative. I am sorry for sounding like Fukuyama, but that is somewhat like that.

BORIS VUKOBRAT

PRESIDENT AND FOUNDER OF THE PEACE AND CRISES MANAGEMENT
FOUNDATION

Now when we have reached the very essence of the problem, I would like to use this opportunity because we are talking about integrations from the very beginning, i.e. about regional cooperation, and it was clear to all of us at the time, immediately after the war we have organized the first conference in Sarajevo and it had an economic character. We continued the discussion in Cavtat where the discussion also had an economic character. When we met in Paris in 1995, many of us here have also attended that conference and it was clear to all of us that it is in fact the economy that is the locomotive of

the regional connectedness. Now we have, *de facto*, come to the medias res of what we are declaring, and that is joining the Europe.

First we have to be realistic. Joining Europe is not only a political issue, but also a financial issue. Today's Europe is in the situation which is familiar to all of us, where they don't know which financial hole to close first – Greece, Portugal, Spain, etc. As we all know, these sums are far greater than the sums intended for us. This Europe, especially after the referendum concerning the Constitution for Europe, is not too eager to expand; there are even members of the EU which are categorically against the expansion. Vlado said it in a single sentence – he is not too optimistic that the EU would expand in the next ten to fifteen years. I am not too optimistic that the EU would rush to integrate us in the course of the following 20 years. I am talking about Bosnia, Serbia, not to mention Macedonia, Kosovo, etc.

I agree with what we have heard a moment ago and what we have, in fact, proposed some 20 years ago in our proposals – we said that Europe would elegantly prevent the worst-case scenario on this territory if it had accepted us into the European community in 1992, 1993. The Union still did not exist at that time; however, that idea did not cross their mind at that moment. I met with Kiro Gligorov, former president of Macedonia, after the conference in Sarajevo. That very day, that evening, Delors came to Belgrade and offered four and a half billion dollars at that time, to somehow calm down the situation here, knowing that money was one of the primary problems we have had at that moment. This happened just before the disintegration and before the worst scenario. Therefore, we and such Europe, the question is to join or not.

Since it was my desire to finish this conference with some sort of progress in terms of solutions to the existing problems, having in mind our economic underdevelopment, our poverty, our problems, I have always believed that one of the first steps should be to create a common economic zone for all of us who are not members of Europe at this moment, because that could be a first step towards a better economic cooperation.

PROF. VESELIN VUKOTIĆ

RECTOR, UNIVERSITY OF DONJA GORICA, MONTENEGRO

I wish to remind you that the programme presented by the Government of Ante Marković, with me as a member, has in 1989 said that Yugoslavia will be a member of the European Community by 1998. We all know what year it is now and I have to tell you that one of the biggest critics of this programme referred to the fact that it is too late for us. We cannot wait until 1998. Those are the facts. What does this prove? It proves that we have to examine certain processes in more detail. We have to be observant, we have to see things not obvious at first glance, and we have to think more about the relationship

between the appearance and essence. We have to move towards the essence, not to observe only the apparent things and jump to conclusions based on them. In this respect, my approach is characterised by the fact that I am one of the people who believe in processes, I am especially fond of spontaneous processes, much more than constructivism. Science is in fact important, but it cannot foresee the future as thoroughly as people seem to think.

Moving on to the second point of view. Is Gandhi today's slogan? There is a good idea presented by Gandhi: "Be the change you want to see in the world". Perhaps we should ask ourselves – what is the key problem on this territory today? Maybe we should start with some differences. Is it democracy, seen from a formal-legal perspective, or is the problem to create new values and a new system of values which will create these values. How to create a new value? This is especially important in the context of the future, and perhaps in the context mentioned by Schumpeter in his works. *The Economist* mentions the "Return of Schumpeter" as one of 20 mega changes to take place by 2050 – which is very important, at least from my point of view. In the context that democracy is not a perfect system, Schumpeter says that democracy may lead and leads to bureaucratization, bureaucratization smothers creatorship, i.e. it smothers the people who create, and that poses a danger for capitalism as a system. He also speaks about creative destruction, and enters into the second zone – how to free an individual, a creative person, entrepreneur, innovator. And it seems to me in this context – how to build an innovative society on this territory. Nonetheless, we have to be aware that we are living in the times when technological platforms are very important and essential for modelling of certain relations. That is the first accent of this discussion. The second is - we all speak about the country. I would really like for us to see how we understand the notion of a country. Do we see a country as something universal or is it a changing institution? The question is, if we observe the country as a process and in the context of future, are national states going to exist? How important would the boundaries be? I am among those people who believe that the countries will disappear and that we are moving towards what Mr. Vukobrat said 20 years ago – I believe it was regionalization, but not in the sense of administrative-political regionalization, but in the sense of a single region-state. These region-states have, before most, very open economic functions, connected in a network, etc. If that is true, the question is – where is the democracy in all this, how to organize the politics in such a system of region-states which are, most of all, economic in nature. There will be umbrellas on the political level and in that sense, the European Union is that umbrella, as far as I see it. Ten years ago, I was a Eurosceptic. Now I realize that I no longer am a Eurosceptic, I see it as a road and as a political umbrella and as a future. Everything is much clearer now, regardless of the problems analysed here. And the third thing, I would like to add to what Mr. Vukobrat said – we cannot have integration on a regional level, on a European level, unless we understand the

essence of economic freedom. With this level of economic freedoms in our countries, we are somewhere, I don't know; Montenegro, Macedonia 60th, Slovenia a bit lower, and that is too high, we cannot measure against it. The struggle for economic freedom, the struggle for market, that is the struggle for integrations.

MIRJANA PRLJEVIĆ

EXECUTIVE DIRECTOR OF THE PEACE AND CRISES MANAGEMENT
FOUNDATION

I will reflect on two presentations, the one of Mr. Grebo and the other of Mr. Pusić, because they are closest to me, so to say. Peace is the road, but war is also a road, I agree with this from the perspective of a process, but the point we wanted to make through this citation of Gandhi, similar to the one you mentioned: "Be the change you want to see in the world", is that "You have to be in peace if you want peace." Since we were involved in interreligious dialogue during the past 10 years, what astounded me were the pictures of priests who were blessing cannons, or friars who beatified the people holding guns and going to war. What we wanted to say by choosing this slogan is that the Foundation is here to stay, we will try to resolve the crises the best way we know and together with the friends of the Foundation, and that the fundamental thing is in fact peace: "Only the peace within us leads towards the peace in the system."

Having in mind that I have been working on strategies for the past 20 years, especially on positioning strategies, and having in mind that at this moment I am working on a very interesting project called *Black Sea Caspian Sea International Fund* where I represent Serbia, as someone who deals with strategies, I am astounded by the clarity of the Russian strategy for the Eurasian Union and by Turkey's strategy. I absolutely agree with you and I believe that the problem in this region is the fact that we have never had good institutes for strategic research; I limit my observation to the period of 20, 30 years ago, the period I am familiar with. On the territory of ex-Yugoslavia there are absolutely no good institutes for strategic research. I believe that we have agreed on this in the Foundation as well. We do not have high quality strategies, we only have "lists of nice desires" and we frequently encounter the situation where our political elites define a direction, and we are unable to provide corresponding strategies to follow them. And without real strategies which define the modes and means to achieve the goals, we do not have adequate instruments to set the thing in motion. Apropos Mr. Izetbegović, I was fairly surprised by the results of the research conducted by an American institute headed by Bogdan Maglić, PhD. Dr. Maglić has communicated the official position of the United States of America that "XX century was the century that has witnessed more peaceful periods than war periods, whereas the XXI century will be a century that will

witness more war periods than the periods of peace. All our strategies, including the ones related to the conquering of territory, i.e. borders, are harmonized with this." A lecture in theory of strategy, saying: "If you don't know why you started a war, don't go to war" speaks enough in favour of what I just said. I fear that there are too many other countries on the Balkan territory which know exactly what they want from us, and we are the ones who don't know this. We simply don't have well defined strategies for development and positioning of the countries from the Western Balkan area. As far as Prof. Pusić is concerned, I also agree that we have to consider the positive examples and positive experiences of the other countries in this region, the ones that are similar to us, which ought to help us demonstrate some of the potential solutions which are close to us and our region, especially from a strategic aspect.

PROF. ZDRAVKO GREBO, PhD

UNIVERSITY OF SARAJEVO

I agree with you completely and I would like to make this position as clear as possible. We will discuss the issue of the European integrations, European values over and over again, even though these values did not find their way to the Constitution. It isn't that easy, and if we are to say that Europe has no alternative, why don't we be realistic and say that Russia has very clear strategic interests, at least in one portion of these countries. I am not sure whether it is an anecdote or true, there is a story about how the late Alija Izetbegović has entrusted Bosnia to Erduan. Turkey was also present on this territory and what I meant to say is that we ought to think about various other influences; as far as I am concerned, don't get me wrong, but I pray for it to be Turkey, not Iran. Because, all these doors are still open, even though some other doors have closed. Someone said that it is modern, the Romani are fancy topic in Europe; everyone who deals with the Romani people will make money. And that is all right. And you say that Romani people are all right because they do not have their own country. That is true. However, there is a thesis that exists on the territory of Bosnia and Herzegovina, and it is an important one.

Bosnia and Herzegovina is a peculiar country, it is in the very heart of the region, it is a complex country, however, there is this thesis that the Bosnians also do not have their own country. The Serbian and Croatian people might have a backup homeland, what will we do then? You mentioned extremists. What if, and this is not an insignificant phenomenon, what if vehabias, salafists are to appear? We shouldn't disregard this issue.

The third thing and a very important fourth thing – I don't know why we didn't dig deeper - here is how I perceive what happened: our noble desire to give our contribution to the peace, cooperation, tolerance, etc. disregards one thing, and that is, and this is me talking as a Bosnian and Herzegovinian, you cannot be a

Bosnian, you have to be a Bosniak, a Serb and a Croatian, just as you couldn't have been a Yugoslavian, statistically it was not possible, the point is that the entire public space has been ethnicized. There are no ideologies, no principles any more. I am not particularly keen on Fukuyama. I apologize for it, I see that there are many people here who like Fukuyama, perhaps even Huntington. When I take a look around this table and I see all these excellent, noble and progressive people, I wonder why we don't discuss about another problem and that is a secular state? What about that issue? What are we going to do about the influence of religious communities, all three of them – Orthodox, Catholic Church and Islamic Community – which have become almost a dominant political factor? What about a secular state as a European value? Why wouldn't I promote this idea? We already have religious education in schools, I have proposed to introduce the course called atheism, and let the children learn. Of course, this is only a parody, it is not a possibility. But these are important issues. Big topics pertaining to the rule of law, to the protection of minorities, etc. and all wonderful, but let us see what the real problem actually is.

MAHMUD BUŠATLIJA

ECONOMIC CONSULTANT, BELGRADE

This is the first time I took part in this kind a conference and it seems very reasonable, perhaps even realistic, this idea to highly integrate the ex-Yugoslavia territory, including Albania, because it must also be ready by now. If nothing else, at least by creating a greater economic ambient which will be able to create a volume of economy which would provide competitive service and competitive product. However, it seems to me that this process has to follow democratization, before everything, of this ambient. We like here in Serbia in the situation where some international organizations treat us as semi democratic, which is a euphemism for absolute non-existence – either we are a democracy or we are not. When we talk about democracy, we ought to mention that it is a society where there are far more obligations than rights, whereas the rights can be exercised only if the obligations are being fulfilled. On the other hand, when you analyse another bad situation in the political systems, which are using the democracy to act quite contrary to the democratic principle, you will notice that the Balkan is still being ruled, not managed; the politicians still rule in their name and in the name of their oligarchy, they do not act on behalf of their citizens. And that is a major impediment for the implementation of economic integrations. I will give you only one example. Two years ago, Slovenia, Croatia and Serbia have drafted an agreement whereby a railroad transport company was established. By then, Croatia and Slovenia have finalized the reconstruction of their railroads; they have increased the speed to average speed of 120 km/h. Serbia had remained on 35 km/h. Therefore, this agreement, as realistic as it was, as necessary as it was, and this company which is bigger than the interests of these three

countries because it integrates the Europe with the Middle East and provides better lives to everyone here, this agreement cannot be executed because there isn't at least a minimal political willingness in Serbia to reconstruct the railroads, at least in Corridor 10, the international corridor, which should be a priority when it comes to development. In other words, Balkan area is still under the strong influence of daily politics, politicisation and something that ought to be highly professional. In conclusion, I have to say that the only way out of this situation, not only in Serbia, even though I hope that Prof. Kovačević would say something about the reforms we promote here for quite some time. We all have to go through a serious reform of public sector. The Balkan area, including Slovenia, has to undergo a public sector reform, a reform of public finances, and the reform of the entire sector which we call public enterprises; in fact these are public utility companies. We have to resolve the issue of pension system, because the country which is unable to support its senior citizens is not a country. And finally we have to introduce something I haven't noticed in any of the Balkan states, and that is management of state property. Therefore, we have to establish a system where the state property is used in the most lucrative way to produce the most fundamental budget income. Up until recently, the prevailing logic in Serbia, promoted by Cvetković, was that the state should sell all of its assets. That is very close to the ideal of communism – the country has to die out. A country without assets, a country which is not able to keep its own property is a country which is also unable to keep private property and such a country would be difficult to develop.

PROF. DR. SC. ŽARKO PUHOVSKI
FACULTY OF PHILOSOPHY, UNIVERSITY OF ZAGREB

To begin with, it is not true that Croatian railroads have trains that run 120 km/h, that is simply not true. The average is somewhere around 85 km/h, but let us leave that aside. Second of all, it is not true that democracy is based on the priority of obligations. The democracy is based on the priority of rights. It is the ABC in every literature; it is something that needs to be discussed. Third of all, Zdravko Grebo is guilty for criticizing the religious education in schools. He is an ideal thing from the perspective of atheists, because the religious education in schools produces atheists. The school destroys everything it touches. Stupid priests and stupid nuns force people into atheism. I am always speaking in favour of religious education in schools because it is simply ideal for us atheists. That is the way to observe this issue tactically. Thirdly, Mrs. Prljević, there are no two comments on peace. The real title would be: "The peace is the road through a mine field left behind after the previous war." That is what we encounter. Therefore, it is a road, but not the one we choose, it is the one we are given. However, the second point she got wrong – the peace in people is the worst consequence of war. The war makes people to be at peace in society. However, the point of society is confrontation. When there are no wars, the

society lives in the only normal way, and the only normal way to live a life is to have confrontations in the society. The confrontations do not imply fighting, they do not imply killing, the confrontation simply implies shortage – the fact that we cannot all get what we want and thus we have different manifestations of confrontations. This is the very foundation of every serious theory of society. That is what war makes impossible. The war forces people into some sort of a forced peace, into some sort of deep freeze which prevents confrontations.

When it comes to confrontations, I can say only one thing: we have spoken here about markets, economy, etc. in great details, and everyone is behaving as if law, philosophy, politics, are some sort of fantasies, whereas the economy is something real, firm and material, as described by early liberals or Karl Marx. Just now, this has proven to be wrong. Today, an important economic issue is something called rating agency – some five people who decide who is to have what rating. This casino capitalism has shown that these fantasies about the objectivity of market economy are simply not true. And it is being constantly imposed to us – let there be an economic integration, let there be more economic freedoms, that is what we say, and everything the European Union has been doing for the past five years was reducing of economic freedoms, because it has been concluded that it will not survive otherwise, if it is to survive like this at all. Therefore, we need to truly return, in my opinion, in the new meaning of the word, to the syntagma of political economies understood as a combination of economy and politics. If we miss this opportunity, this crises that is happening to us at this very moment, I am convinced that we will not be able to understand and we will be stuck in the situation where we are repeating the same mistake all the reformators in socialism were making, from Buharin, Kosigin to Marković – to liberalize economy and the politics will follow. If the China still hasn't proven this to be the truth, then I really don't know what other empirical evidence we can provide. Therefore, political problems are not solved with economy, but unfortunately, some erroneously attempt to solve economic problems with politics. That is how I see the problem.

PROF. ZORAN PUSIĆ

PRESIDENT OF THE CIVIC COMMITTEE FOR HUMAN RIGHTS, ZAGREB

I have only a few remarks. First of all, when Boris mentioned Delors and the money he offered, the fact is that Delors was not offering money, he was offering membership in the European Community; it was more than a year before Maastricht, we could have chosen the form – join them as Yugoslavia, as independent states, all we had to do was to reach a peaceful agreement. Milošević and Tuđman declined and this probably demonstrates a combination which we discuss less often, and that are these strong elements of irrational behaviours which mix with the possibility of personal promotion and simply personal benefit observed by such individuals. This element of irrational

behaviour in these confrontations which we survived was more than evident. Secondly, as far as the European Union is concerned, these attempts, not to go too deep into the past, were certainly present from the beginning of this century. It is considered that France and England have survived the World War I after Mane's initiative to join the trusts and organize themselves in respect of various spheres, from the import of wheat to the production of steel. Before the fall of France, in 1940, there was a serious proposal to unite the British and French economy. Therefore, the attempts were present, and so was the democracy, through the multitude of these attempts, whether this one will last forever it is difficult to say, but it is certain that it has some positive elements and is important to a certain extent, in the sphere in which it came into existence – and that is to prevent the wars to happening again, which is an element, at least for us here, more important than the economic elements. Perhaps the standards guaranteed by the European Union seem less important for this area, but if we take a look at Macedonia and downwards, these standards are of immense importance to help resolve the conflicts Žarko spoke about in a different way. We need to start resolving these conflicts, because I do not think that these conflicts are only one side of the medal, one side of the coin, and neither does Žarko with whom I often discuss about this. The other side is cooperation. In fact, it is several centuries' long history of attempts to resolve the existing conflicts and the conflicts which will always exist without the use of violence and through cooperation. The European Union is an element which represents a completely new and significant project on this territory.

MILADIN KOVAČEVIĆ, PhD

Since the time is expiring for this afternoon session and the time for Western Balkan is expiring as well, and when the Western Balkan is currently in shortage of financial resources and time, and when Yugoslavia is again facing a great crises which will manifest itself as a debt crises and certainly, the democracy has, under the circumstances, a relative meaning, and when the unemployment rates are high, over 25%, the value of democracy by themselves also become relative. However, it is not my intention to elaborate on this; I just want to tell you three anecdotes, the following three sentences.

I want to tell you three anecdotes. The first one comes from a movie dedicated to Josip Broz and former Yugoslavia, which allegedly cites Broz's words after his death: "My homeland was not destroyed by the fall of the Berlin wall, or the communism, but an everlasting love towards the religion and the past."

The second quotation would relate to a great name of historical sciences, to Eric Hobsbawm, who said this a year ago, when he was in the tenth decade of his life so I am not sure whether he is still alive. He understood the problem relating to the economy in the western Balkan, i.e. the inability to build

economy on limited spaces. He said: "It surprises me that no one thought of the Balkan Union again."

The third anecdote relates to these reminiscences, which are in fact a nice introduction to the entire topic. It is an anecdote about Konstantin Rokossovsky, a marshal of the former Soviet Union, after he returned from gulag in 1940 and met Stalin who, after seeing him with no nails on his fingers, said: "We have tortured you a lot", and he replied: "Hope to die if I mention the past". Therefore, he forgot all that when faced with great troubles.

And in the end, I wish to quote Chinese emperor Sin who said: "People like the past and I cannot do anything to prevent such love, but one day a man will be born who will destroy the wall, just as I have burnt the books, and he will be my shadow and my mirror."

RANKO RISOJEVIĆ

REPRESENTATIVE OF THE PEACE AND CRISES MANAGEMENT FOUNDATION
IN BANJALUKA

Ladies and gentlemen, I am sorry that my intervention, something that is *tempo passati* at this moment, pertains to the issue of war which primary goal was to change the boundaries, set new border lines, etc. I think that it is not very precise because if it were, that would mean that those who have led the war had the conscious awareness of states and responsibility. But they have shown a complete lack of any kind of awareness and thus it was a classical war whose aim is to conquer a territory, regardless of the size of that territory. The point was to rule over the territory, either as part of the fight for ethnical principles or a fight for any other principles, and this problem in Bosnia is manifested through catastrophic cases where the area of the Republic of Srpska, when it comes to boundaries, comes down to Dodik's problem, not to the Sarajevo's problem, which is absurd and denies the historical boundaries that existed over the rivers Una and Sava towards Croatia. When I say historical boundaries, I mean the boundaries that were agreed as part of the Karlovac Peace Treaty. Everyone who went to school knows this. These boundaries are now something that is treated as a private issue of the Republic of Srpska and that in no way relates to the Bosnia and Herzegovina. If it were so, then Bosnia and Herzegovina would mention all the open issues in relation to the boundary with Croatia. Croatia insists on every centimetre of its territory and that makes it that much more of a state that Bosnia and Herzegovina which demonstrates insufficiency in this respect.

Also, I wanted to discuss the issue of transfer of accountability downwards. The accountability was clearest during the Austro-Hungarian Empire when the power was spreading from Vienna. At that time, the authority of Vienna was respected in Bosnia and Herzegovina. Each and every transfer of accountability within Bosnia and Herzegovina itself turned out to be a catastrophe. We had

the power spreading from Vienna and under the rule of which ministry was Bosnia and Herzegovina? Economy. They knew what is important and they knew what they had to manage, and then the jurisdiction was transferred to Belgrade. From the moment when the power was transferred to Sarajevo, from that moment on there was no authority and was chased away to the streets where it is still to this date. Of course, certain relationships are being established, but between what has been proclaimed, which means that I want a country called Bosnia and Herzegovina – that means this and that, and has this and that as a consequence.

This would be a good moment to say something more significant about the Foundation, because not much was said about it, while one could write a book about the hardships of the Foundation during the past 20 years. Not much was said about it because the Foundation was essentially treated as an illegal organization. It was an illegal organization in Belgrade and it almost couldn't exist as a legal organization, it couldn't finance itself, etc. It was illegal wherever it appeared. It so appears that the most noble desire to help the nation deal with its most fundamental problems, i.e. economy, inspires the people to gather around. It seems that it was something that the authorities have wanted to avoid because they believed that it is very dangerous to explain the people the problems of this region. Certainly, we cannot achieve anything and return the democracy overnight. In the Balkan region, the democracy existed during the Austria-Hungary, but it was lost in 1914 and that was it. It has never, in fact, returned and one of the problems we have to deal with alongside with other problems is how are we supposed to develop democracy if we lower the authorities downwards, by a textbook example, instead of denying certain rights at lower levels and move upward. That is, basically, the direction the European Union is taking as well. The only chance for Europe is to accept the American principles. *Nolens volens*, the EU has to accept the American principles, to accept the liberal democracy, American style. We should not apply for membership, we should join Europe the same way America came into existence. But that would mean that we would have to transfer a portion of our jurisdiction to Brussels. And that is the essence of change. Whether we want it or not, that is the only way the Europe will survive. Someone had put it very elegantly: between the tycoons and these criminals, we chose tycoons, but to the contrary, when we have a choice between a textbook democracy and other types of democracy, we choose a democracy which essentially limits one sphere of freedom in order to protect ourselves from ourselves. That is suicidal. We have some suicidal drives which make it easier for us to go against ourselves, to even kill ourselves, just to avoid the situation where we have to give one portion of our freedom. Which freedom? We have been slaves and will be slaves for all eternity; we will merely change the form of slavery. A small number of people are ruling, and the rest of the population is trying to join the ruling class. I believe that the Foundation's significance is immense and I can

only regret that we have failed in Bosnia and Herzegovina, that I have failed in Banjaluka, and certain people who joined and left, wandered around, got involved in politics. Politics has proven to be a disarranging factor in Bosnia and Herzegovina. At some point, it would be beneficial for Bosnia and Herzegovina if someone was to prohibit them from doing politics for 50 years, appoint a general manager, find him/her a place to be and apply a model which was proposed when peace was finally established. That is consociation. What does it mean? It is perhaps unjust. The newspapers in Belgrade are full of titles: the Republic of Forests, the Republic of Forests. We have a horrible internal rebellion led by Petar Kočić's people from the mountains; there is a rebellion among people who used to be democrats and who were against the whole thing. The entire non-government sector in Belgrade calls this creation: the Republic of Forests. How do they even think to establish any kind of model? The consocial model which was proposed was rejected. They said: No, we want a democratic model. How do you mean, a democratic model? One person – one vote. I beg your pardon. If I have, for example, 100 Bosniaks here, 20 Serbs and 20 Croats, it gives a total of 40. Please, propose any issue where the Bosniaks are going to vote in favour of the proposals presented by the Serbs and the Croats. It doesn't make any sense. Regardless of whether we are an ethnic group, a minority group, there are certain elements that have to be respected. That was the point of the proposed consocial model which was rejected. After such rejection, there is no other model – I am not certain whether it is a Swiss or some other concept, but there is simply no good will in all this. Therefore, the problems are numerous, but essentially, we cannot solve them by textbook definitions. We have to find real ways out from a real situation for real people, who are also going to vote on the elections. And when you take a look at the people who are voting in the elections, you say – I am going to vote for this party. But if you would ask them: "Would you give someone from that party to take care of your sheep?" The answer would be: "Of course not. They would either sell or kill the sheep." And that is the situation we are faced with.

PROF. ZDRAVKO GREBO, PhD

UNIVERSITY OF SARAJEVO

I do not agree with a single word uttered by the previous speaker, but I do not want to take the time intended for other speakers. I have full respect towards anyone's opinion, but what we just heard is confusion and a set of contradictory statements, to say the least. We do not want upwards, we want downwards, and then Austria-Hungary left, old Yugoslavia came into existence and it killed the democracy. Then the second Yugoslavia came and it finished off the democracy, but "when the authority came to Sarajevo, it started to roll over in the streets". I don't understand. How come that it started rolling over in the streets when the authorities moved to Sarajevo? On the other hand, is you want a state concept, I have exchanged opinions with a colleague about the

boundaries with Croatia. Of course that it is not a problem of Milorad Dodik, that should be a problem of the entire Bosnia and Herzegovina as a country. But if you are speaking in favour of this thesis, are you prepared, my dear colleague, to say that Sarajevo is the capital city? No, you are not. Neither is the president of the Republic of Srpska. I am not cheering for the Federation; it makes no difference to me. Both of these entities, whatever you call them, worry me equally. The second thing you were talking about, I apologize, but that is somehow my area of expertise. I do not know who proposed the consocial model. As far as I know, consocial model originated from the theoreticians from Croatia, primarily from Mirjana Kasapović and the people concerned about the status; I have never heard that anyone from the Republic of Srpska, either a politician or a theoretician, had ever proposed a consocial model which was rejected. And first of all, who proposed the model and secondly, who rejected the model? There are seven elements, projects which constitute consocial democracy. Please do explain which of the elements of consocial democracy is missing in Bosnia and Herzegovina: a big coalition, bicameral parliament, questions of vital national interest, territorial autonomy? Let me tell you, I am not a big admirer of consocialization, but that was one of potential models; in my opinion, in the given context, there is an excess of consociation in Bosnia and Herzegovina and that is in fact the problem. Finally, Lijphart's consocial democracy was conceived as a transition towards the normal democracy. Therefore, it is not fair to play with these categories if we don't know what exactly we are trying to say. Also, would it be acceptable for my colleague, having in mind that these two entities which exist in Bosnia and Herzegovina and which have been created through a peace treaty, *nota bene*, not the Constitution, which constitutes Annex No. 4 of the Constitution of Bosnia and Herzegovina, therefore, these are parastates.

A bit earlier, when I held my presentation, I said that the boundaries between the entities are far firmer than the boundaries of external Bosnia and Herzegovina, which represents an additional problem. Would any of the promoters of this concept accept to, for example, implement the consocial model in the Republic of Srpska? Because in the Federation, as distorted as it is, I have never said that it is a "Republic of Forests" nor did I use an even worse term – "lesser entity", as if it were important, 49-51, that is absurd. However, would the Republic of Srpska, which is a centralized parastate, the Federation consists of cantons and who knows of what else, would they accept such a concept within the Republic of Srpska, and then we can start the discussion about the organization of Bosnia and Herzegovina

RANKO RISOJEVIĆ

REPRESENTATIVE OF THE PEACE AND CRISES MANAGEMENT FOUNDATION
IN BANJALUKA

What I wanted to demonstrate is the confusion that exists in Bosnia and Herzegovina and this confusion has its genesis. I sincerely doubt that my colleague Grebo doesn't know who proposed the consocial model and that they are not in Banjaluka. In Banjaluka no one even knew what it meant back then, they learnt about it from several people from Sarajevo led by Ugo Vlasisavljević. Therefore, Prof. Ugo Vlasisavljević has introduced the concept of consociation, together with Ivan Lovrenović and people from Sarajevo who offered some sort of alternative because they figured out that if such relations are not established at that moment, and that was 10 years ago, everything will be ruined and these fragile cohesion connections will break. They were truly worried about Bosnia and Herzegovina at that moment. Secondly, where did colleague Grebo get the idea that I am against the capital city when I was one of the creators of symbols of Bosnia and Herzegovina. This means that the flag used by Bosnia and Herzegovina is my personal concept, because I wanted for the war flags to be removed and Westendorf accepted the idea. The coat of arms and the national anthem are also my concepts. The anthem has no words, but at that moment neither did the Spanish anthem. Why? Because they also have problems. We can turn everything into irony. And this supernatural irony, "vrhunaravna" as Krleža called it, of Sarajevo, irritates everyone with brains in Bosnia and Herzegovina, because they see that this irony has no grounds. It is absurd. Do you understand?! I am not here as an attorney of the Republic of Srpska, I am not a politician, I am here as an attorney of this Foundation which has encountered such problems that it couldn't even be established in Sarajevo, or exist, when we come to it. That depicts the problem which existed there. There are many problems and it is up to us to discuss these problems openly. If we don't see these problems here, but we see them in the neighbour's back yard, then the devil will claim his own. The end.

PROF. VLADIMIR GLIGOROV, PhD

RESEARCH ECONOMIST, THE VIENNA INSTITUTE FOR INTERNATIONAL
ECONOMIC STUDIES

In a way, Bosnia is, how the Americans and many other say it, an elephant in a china shop. We know that this problem exists. No, not an elephant in a china shop – more in the sense of a big problem – an elephant in the room. I have tried to describe how I see this problem so we could move on to the next speaker. When I say "a problem", I do not mean that the existence of Bosnia and Herzegovina is a problem, the problem is in fact this dialogue we have heard, i.e. these are the problems, but in either case, in my opinion, it is obvious that such dialogues cannot be avoided since they are present on both sides.

PROF. DARKO TANASKOVIĆ, PhD

FACULTY OF PHILOLOGY, UNIVERSITY OF BELGRADE

Ladies and gentlemen, colleagues, 20 years ago I haven't participated in the discussion which has enabled us to gather around a relatively concrete topic. Unfortunately, I cannot justify my absence with the same reasons as Mrs. Kitanović, i.e. with my age, but these discussions were not open to all of us at the time. What I wanted to say is that I have found the ideas presented then very appealing, even though, as I said, I have participated more in things that were happening during these 20 years. I wish to extend my gratitude to those who have facilitated by presence today where I can, together with all my competent colleagues, analyse where we are today when compared with the proposals made 20 years ago.

The previous discussion is an excellent introduction to what I wanted to say. One part of my brief presentation will address the issue of democracy, i.e. the apory of democracy in Yugoslavian conditions or the conditions prevailing in the former Yugoslavian countries; the second segment will address the issue of secular state. Colleague Grebo mentioned that this topic is rarely mentioned and I believe that there are reasons why it is so, especially due to the fact that we have discussed this issue quite frequently during the past several years, as Mrs. Prljević said.

The first question pertains to the limited potential of democracy and its real implementation on the territory of former Yugoslavia. I say former because it is former, even though these words don't come easy to any of us. For a while it was called "previous" when the desire was to emphasize continuity, but it fact it implies the Yugoslavia in which we grew up and where we have formed as citizens and as people. I appreciate the effort invested by Žarko Puhovski, because it is obvious that he has written his presentation on the principles of protection of ethnic groups with great care. He chose each word very carefully and I believe that his essay should also be read very carefully because all the references which create a framework for discussion in fact may be used as guideposts for realistic analysis of situation of the territory of former Yugoslavia. I agree with everything he had said and it seems to me that we are still in the deconstruction phase, not in Derrida's philosophical, even though it is related to this, and I also believe that the maximum we could achieve at this moment, where this moment is not measured by years, but unfortunately decades, is in fact a civilized deconstruction for the benefit of a future construction. A future construction would be something like the New Commonwealth of the republics of ex-Yugoslavia as it was proposed here, with this distinct regionalization. I am very fond of the idea, but also I believe that we are very far away from it, for a number of reasons. Some of them were mentioned here today. It is obvious that we have to face the reality, the real people, as colleague Pusić said, we have to get out there and see, while at the same time we mustn't

be fooled by the harmony of categorical order, as colleague Puhovski said, where order would be gradually introduced through the implementation of an abstract model or a recipe, because all these things have to be carried out by real people. Similarly, I find his conclusion about the reasons that led to the disintegration of the country and to the turbulent times and war to be very important, but he also said that, unfortunately, at that time, and you all participated in this, it was not possible to impose a civil concept because the totalitarian tendencies of national sovereinities, and I quote: "and nationalistic myths had greater support among the citizens which has acquired democratic forms after the political changes." The essence of the problem, in my opinion, is that today, perhaps by these democratic forms these opinions are expressed on sociologically relevant aspects. Therefore, we have this seemingly paradoxal, and judging from the evidence lawful situation, where something non-democratic is expressed through democratic forms, where we have to adhere to and develop the democracy, and that is how we found ourselves in the situation where a totalitarian mind is vowing to democracy with pervert pleasure. We can see examples in all the regions. That is a democratic paradox, similar to the Bockenforde's paradox which says that a liberal state cannot provide conditions for one's own survival. Colleague Puhovski mentioned the positive discrimination, he presented it as a problem because his topic is the protection of minorities, but some sort of discrimination has to exist when it comes to democracy – the problem is who is to determine how and who and how much. Democracy is the best system there is, but we are also aware, and colleague Vukašin Pavlović mentioned it as well so I do not have to repeat, and colleague Ilija Vujačić who provided a general view, and Prof. Stanovčić as well. However, this democratic deficit is so noticeable here, practically endemic, that it is very difficult to find ways to overcome it. We act in certain occasions, social, economic, cultural and social-psychological. They are what they are and we have to face the facts. When we talk about minorities, it is clear that positive discrimination is the only way to make the minorities feel equal. However, the second question also discussed here by Mr. Puhovski is the issue of territorialisation of national. Take, for instance, the national minorities, regardless of the fact that there are not many of them left, take them as example just because they are outnumbered, but in the areas where they live compactly, they have a tendency to territorialize their rights which they would get through positive discrimination at any cost, and then we have a situation which gives rise to additional hesitation when it comes to positive discrimination and additionally compromises the idea of regionalization, because it is then observed as a real economy and if you please, administrative regionalization, but as a national, ethnic regionalization, as a form of ghetto for those who want to acquire greater security for themselves in comparison with the majority. And then it progresses gradually – from the minority towards the biggest majority. Everyone is somewhere a minority or a majority when compared to someone else. I will try to explain my point of view concerning the secular state a bit later, and as concrete as possible, to keep us

in the domain of concrete, because we were all invited here to say something concrete. Therefore, this is my point of view and I believe that we have to be very realistic and we have to face the situation from a realistic point of view. We have to avoid, as someone wrote, worshipping democracy and offering solutions which are realistically impossible. All things that colleague Grebo said are very concrete, especially when it comes to Bosnia and Herzegovina, borders, etc.

Take, for example, the Roma population. They were mentioned here as an exception because they do not have their own state. You see, I was given the opportunity to talk with a very educated Roma or Gypsy woman; she even has her own show on a television in Niš. After I gained her trust, I asked her: "Have these scientific programmes about the Roma, the care about Roma, the decade of Roma, non-governmental organizations which care about the Roma people helped you with your status?" She looked at me and said: "You know, sir, we have become the Roma, but we still live like Gypsies." I believe that this speaks a lot about the result of simulation, in fact care about minority and other rights, which would perhaps satisfy the standards imposed by the European Union, where the Roma problem is also not resolved, as we all know, but I think that people who work on this problem are not doing it whole-heartedly and are not investing best efforts to make things better. But, we have this socio-cultural and socio-psychological context the way it is. I would reflect on the secularity, on the problem concerning the secularity of a country, because the presentation of colleague Kitanović somehow did not include the religious factor which was very important, especially in connection with the national and nationalistic at the territory of Yugoslavia, and thus became a topic of numerous papers and books. I will take this opportunity, please don't resent me for it, and I will perhaps sound old-fashioned and archaic, but I believe it is more ancient than archaic. In my opinion, one of these problems, I am not sure whether it is a result or a consequence, but it is a situation not being talked about, but nonetheless present and disregarded, that is one of the bad things which have occurred during these 20 years, perhaps even earlier, and that is – we have lost measure of things, we have lost measure in all things. I believe that we exaggerate in everything and that we are no longer capable to speak conservatively and with measure. And measure is not an issue of personal choice or a measure of good taste and upbringing. Civilizations were established on measure. I will take the liberty to quote Horace, not by chance, who says: *Est modus in rebus sunt certi de niq̄ue fines quot ultra citraque nequid consistere rectum*. Why did I quote? *Est modus in rebus*. There is a measure which is simultaneously a mean, a modus, in all things, and moreover, certain limits on either side of which right cannot be found, and that is the rectum in the end. In other words, we are talking about the means, the modus, and about what is right. This implies the democratic rights and all other rights. That is what is lost here and no one can allow someone else to be sometimes right and sometimes wrong. We have only one notion – either the person is completely wrong or

completely right if the person shares the same beliefs as I do. I am glad that I have heard things today with which I mostly agree, but that also frightens me a bit – the discussions among the people who have the same ideas are not very productive. In other words, we don't have the possibility where someone is somewhat right and somewhat wrong so I will convince him/her a little, because these problems are so complex that there is no absolute truth and no one can be categorically right about complex issues such as ours, with the exception of these final moral judgements and values when no limitations are possible, but I wouldn't like to relativize the things such as the boundaries of human existence. Therefore, there is no measure. I plead everyone to have measure in things, I plead to them in my written works, in my speeches, and I also try to be moderate in everything I do. Measure is essential, but we have somehow lost it, I do not know how or where.

The issue of secularity. It is a widely accepted opinion that there is no better model for a free Church and a free state than a secular model. To this date, a better model was not found and we have to stand for it. However, one of the characteristics of this model is that a true secular model of a state, which has been brought into question lately in Europe as well, has never been truly implemented in any of the countries of the former Yugoslavia, nor did we ever even come close to it. I believe that it is so because the model was widely misunderstood, due to the reasons I mentioned above. Secularity are the teists, people from the Church, but even these teists have a tendency to see the opening of the space for certain church politicality and conquering of political space, not only the spiritual space which should belong to the Churches and religious communities.

On the other hand, the atheists, if they are the authorities, have a tendency to use the arguments of religious communities and general religious arguments in order to strengthen their slim and weak ideological arguments, to enhance them most frequently through nationalism or state interest which corresponds to certain religious interests, or then, on the other side, some other atheists turn into antiteists, they become ideological secularists by replacing the secularity with ideological secularity and then we have the situation where we have a militant, aggressive antiteism with numerous Bolshevik elements, which represents a reaction to those ateists who use religion for political goals, as well as to religious communities which find their place in this story and thus depart from their role. Therefore, there is no measure, there is no real secularity and this gives rise to incredible situations. I think that it was very funny when Žarko, who has a good sense of humour, said that we have to let our children go to religious education because the religious education provided by our Church is the best counterpropaganda for religion. It is partially true, even though I believe that we have to avoid such generalizations. It then seems that Mufti Zukorlić shares the same set of believes with Žarko Puhovski because he

forbid the children to attend religious education because it is a road towards genocide, but the underlying problem is the fact that this religious education is not performed by the members of his community, but by the members of the rival religious community.

Therefore, on both sides we can see plenty of digression and this is not a good way to achieve something under these tense circumstances. This cooperative separation of Church from the state, a model they try to implement in the European Union and the majority of modern states, where the Church and religious communities have to participate in the social sphere; in the social sphere – not the sphere of political decisions – that is where we have failed.

Where do I see the road and the solution? If any, I see it in the fact that we need to bury the hatchet that exists between the civil society organizations, non-government sector, Churches and religious communities. Objectively, we have, for a number of ideological reasons, a deep gap between the Churches and religious communities on the one side, and the entire civil society or the bigger part of the civil society on the other side. I believe that the Churches and religious communities, if they do their job right, and the civil society, are natural partners with the goal to establish a real and true secularity, followed by multiculturalism, not multiculturalism which is again an ideological concept, and then force the state, because the state is not an abstract notion, force the state to act in accordance with the desire of its citizens, both atheists and believers.

We have witnessed good examples from the Non-governmental Organization CIVIS, a series of projects in which I had a pleasure to participate; Konrad Adenauer Foundation operates in the same way. There are other portions of the civil society which function in a similar way, but in my opinion, unless the Churches, religious communities and civil society organisations start to work together on promoting real secularity, no country will be willing or will have the potential to implement a real secular model of society. To the contrary, it will probably be detrimental and that is why I insist on this type of cooperation whenever possible. Because a common denominator does exist – the dignity of human personality, regardless of the source of the idea on the dignity of human personality – whether from acknowledging the basic principle of the Creator or from the democracy of natural right, the dignity of human personality is something that could gather the Church and religious communities together if they are really not interested in the politics in the narrower sense of the word. Take, for example, the nature, which was devastated on the territory of the former Yugoslavia, perhaps the most devastated in the ecological state of Montenegro. Why are believers protecting the nature? They are protecting the nature because it is one of the creations of the Creator which we mustn't harm in any way. Certainly, the green and others are not talking about the creator, they are not talking about God, however, for example, Ecumenical Patriarch Bartholomew has organized one of the most successful ecological actions

which were in perfect harmony with the position of the Greens in the European Parliament, etc. Why would that be impossible? I think it is the only way and I also believe that if I can give any real contribution, that would be to suggest to the civil society on the one side and the Church and religious communities on the other side to try to find a common ground and then together exert pressure onto the state which would be unable to avoid its responsibility.

PROF. VOJISLAV STANOVČIĆ, PhD

ACADEMICIAN, SERBIAN ACADEMY OF SCIENCES AND ARTS

I wish to say something about democracy. For two and a half thousand years, the political systems have been divided into good and wrong. Before most, it is about a system, one man may be a monarchy, may be a dictatorship, there can be several of them, there can be aristocracy or oligarchy. Some of the best and some of the worst political forms may be present in democracies, and we have to observe where they are around us or within us. This form is not good because it doesn't fulfil certain conditions. The rule of law is the most important condition, it enables this the most. Secondly, good constitutionalization with institutions, with the division of power. Our Constitution divides the power, but here the executive power dominates over the Assembly and the courts and the Constitutional court and everything else. Therefore, the Courts are not independent. Serbia has an Election Law which prescribes a 5% electoral threshold for the political parties where the number of seats in the Parliament is calculated as a percentage of 250 which corresponds to the percentage of votes achieved in the elections. However, all ethnic minority parties do not have to reach the threshold level to get into the parliament. If the Hungarian minority won, for example, 2% of votes in the elections, they are entitled to 2% out of 250 seats in the Parliament. The same applies to all other minorities. That is one of the elements of consocial democracy. The consocial democracy was theoretically conceived by Robert Dahl, a famous professor of the Yale University, who was my mentor on the said university. Arend Lijphart from San Diego advocated consocial democracy as well and so did the late Daniel Elazar and many others. Therefore, these are the solutions for complex societies, multinational societies. Bosnia and Herzegovina is now organized on the principles of consociations because otherwise it would be only a single country, this Republic of Srpska would be overvoted. In the Federal Assembly of FRY, Serbia had to give 65,000 votes for one member of the Parliament, whereas Montenegro had to give 12,500 votes for one member of the Parliament. You can notice a huge difference in numbers. Therefore, these are the ideas of the consocial democracy.

John Locke gave birth to the idea of liberal democracy – 50% plus one, but that is such a minimal minority that this plus one can be changed when required.

The American electoral system. Take, for example, Nixon when he run against Kennedy and won the majority of ballots of the citizens of America, but there is an electoral college, i.e. majority of electoral votes were in favour of Kennedy. Therefore, the American system, i.e. the creators of the American Constitution did not want an indirect democracy, but a direct democracy where presidents are elected by electors who are chosen on a state-by-state basis.

In conclusion, ever since the times of Aristotle, Medison, John Stuart Mill, people have been warned about the dangers of the tyranny of the majority and this tyranny of majority is the biggest flaw and biggest potential of democracy, but it is even worse situation occurs when there is chaos between these democracies and when one particular group is in charge. For example, Ostrogorski, a Russian who worked as a university professor in England, wrote a book in 1901 titled *Democracy and Political Parties*, where he wrote: "England is not a democracy, England is an oligarchy." And he was right, because in the XIX century, England was a liberal country where the living was good, I would live in such a country because there was the rule of law and independent judiciary. The men got their general voting rights in 1918 in England, after the World War 1, whereas women have gotten their voting rights ten years later. Therefore, England was not a democracy, it is not a democracy today either, but it is a liberal country with the rule of law.

PROF. VLADIMIR GLIGOROV, PhD

RESEARCH ECONOMIST, THE VIENNA INSTITUTE FOR INTERNATIONAL ECONOMIC STUDIES

I believe that we all know, or I assume that we all know, that there are certain constitutional problems in some of the former or present-day countries and I would like to point out that these are issues that can be discussed in more detail. Consocietal democracy. The idea where you have a country which has a plurality of conflicts of major importance. Therefore, it is not a country where you practically have a system in which you cannot reach a decision, as is the case in certain countries. And then, Austria, the country where I live, or the Netherlands are given as examples of consocietal democracies. That is not a majority question, that is not a majority problem; it is a question of stability in the situation when there is a multilateral or multidimensional social dispute. This means that ethnic problem or something similar is present somewhere. Take, for example, Austria. It cannot be compared to Kosovo, Macedonia or Bosnia and Herzegovina. They simply do not have the same type of problem. The idea that there is a possibility of ethnic majority in a democracy – in fact, we have examples of democratisation of the countries in the East, postsocialistic countries where you can see that it is not true. Because in democracies, even if there is a multinational society, the majorities usually have several parties. Therefore, the idea that the majority dominates over the minority in the democracy is completely not true.

For example, in Romania, Slovakia, Bulgaria, you have political parties of minorities which are more or less always in the Government, because the majority of citizens have more than one political party. Therefore, democracy is not a system which prevents the minority interests to be represented. Thus, it is completely not true.

The possibility of majority rule is not an impediment in Bosnia and Herzegovina, in my opinion. In Bosnia and Herzegovina you have a system which is not democratic. In my opinion, that is the primary problem. The Constitution has been formulated in such a way that there is no democratic system at the state level. No decision can be delivered, one way or another. Why is that so? Because one segment wants to secede. That is in the essence of things. It is pointless to talk about Aristotle and Plato. We have a similar situation in the other segment. We still have unresolved territorial disputes. A territorial dispute has implicit, so to say dinuce, potential to escalate into an armed confrontation under certain circumstances. That is the nature of a territorial dispute. We are still faced with this problem in our region. That is our elephant in the room which cannot be ignored. And that is the essence of these problems.

When it comes to a secular state, I believe that the Churches are the problem, not the atheists. In my opinion, the Churches are very aggressive in this region. Isn't that true? I think that is the problem. I do not think that militant atheists are the problem. They barely exist. The problem with secularism is not whether we have religious education in schools or not, the problem is the monopoly of a single Church within one country. That is the problem of secularism. It is not that easy to register a new Church. If you want, for instance, to register a New Orthodox Church – a New Serbian Orthodox Church. How would you manage to do that? For example, you want to start a new religion. How would you do that – register it as a non-governmental organization? How would you do that? There is this idea that you have so-called traditional Churches, some minor sects, and so on and so forth. Thus, you have one etatized nonsecularity on the state level. In my opinion, that is the problem. The problem is not whether the Churches are engaged into humanitarian work, I am not under the impression that anyone has problems with that. However, I see a problem if a bishop or a patriarch or any clergyman is in favour of any political party. That problem is real, it exists and we are faced with this situation all the time. That is the true problem of secularism, in my opinion. At that level of discussion.



PART II

ECONOMY AT WORK

MODERATOR

PROF. DANICA POPOVIĆ, PhD

FACULTY OF ECONOMICS, UNIVERSITY OF BELGRADE

The discussion today has distinguished three topics which we may relate both to the general and economic titles. One is regionalization, the primary reason why we have organized this conference and gathered here today. The second is the European Union and the accession process, as Mojmir mentioned. The third aspect would be a particular problem. My desire is to direct the discussion towards the issue of independent judiciary or to point out to the issues that represent the biggest impediments to the corruption in each of the republics, i.e. to point out how to heal corruption, etc.

It would be good if all three topics, regionalization, accession or a particular problem, could be institutionalized. Therefore, my proposal at this point is, because I believe or fear that such institutional solution is not good, we need to present some proposals. It is not obligatory, by no means is it easy to make a proposal; if it were easy, we would have overcome the crises long time ago, but we should do something to at least become a candidate. What is essential is the sequence of events. We have all heard of human rights, but what is the first thing? What has to be done and what must be done first? For example, this constitution of government will be present in Serbia until a majority system is introduced. In my opinion, that is the first thing we need to discuss. Later we can see whether there are incentives which are bad or good and then we can discuss about that. I have presented three potential topics – regionalization, European Union, in other words, any particular institutional issue, whatever you think is relevant.

SLAVKO VUKAJLOV

I would say that the situation we have here and the attempts of this Government all revolve around the issue of regionalization. Since I cooperate with a large group of people from diaspora who have made a macroeconomic programme which will be distributed in the electronic form, it would be good if we were to discuss about this programme and try to bring it to a microeconomic level.

As far as the regionalization is concerned, it is my opinion that our story which is taking place in Serbia hasn't got much to do with the region. Here, as we can see, certain parallel structure of power is attempting to impose itself, having in mind that pursuant to the Constitution, Serbia is politically organized in regions, I apologize, in districts. We have the situation where a parallel structure is being created which would require engagement of new people, new officers, new directors or managers of these regions. I believe that the true regionalization

is taking place in Europe, where we have municipalities. If we are to bring the entire topic to the level of municipalities which already have their own officers of the state and the local self-government, and if they are to be granted to keep 40 per cent of the funds from their budget, that would be a good topic under the condition that the number of municipalities is to increase; now we have around 165 municipalities, but it would be good if we are to propose the creation of some 350 municipalities. This would be good because, if the municipality begins to operate as it does in Europe, as a company whose president and the supporting structures recognize the interest and start to understand that the more investors they attract to their municipality, the more money will be injected into their budget. Then they would be able to develop their infrastructure and whatever they deem necessary. Another crucial thing is the projects. If we are to even start the negotiations with certain investors, we have to have 100 or more projects in the pay plan, which is certainly not the case here. We have had situations in the past when we had visits from very serious delegations from both the East and the West, and the government of Serbia failed to offer them any significant project.

MIRJANA PRLJEVIĆ

EXECUTIVE DIRECTOR OF THE PEACE AND CRISES MANAGEMENT
FOUNDATION

I would like to say something about the contribution of the Foundation and about my personal contribution. You all know that we are active in the business world. As business people, we have encountered the foreign investors who have reached the conclusion that applies to the entire territory of the former Yugoslavia – “they come with a hint of confusion, but leave utterly and totally confused”, in other words, we and by we I refer to the entire region, are not transparent enough. At the same time, in Croatia, Bosnia and Herzegovina and Montenegro people are saying that they want to attract direct foreign investments, they want to reduce unemployment, they have defined certain goals, but the realization of these goals is not quite clear, especially to the investors. I would like to address this particular issue because I have worked on a project on behalf of the Foundation, for which I received international award “Diskobolos” in Brussels. Two years ago, at the conference on the accession of the Western Balkans to the European Union organized in Dijon by the EU, the Foundation has proposed this project for improving the cooperation in the region. The project is titled *Geographic Information Network* and may be adapted and modified to Croatian districts - “županije” and to Serbian districts or regions and otherwise, when required. Why? Because the *Geographic Information Network (GIN)* gives access to four maps: one map is a map of investments, the other is a map of strategic partnerships, the third is a map of products and services and the fourth map is a map of patents. My intention is to point out to this problem in the region, which also relates to the regional

interconnections, because we are small on the world map, not to say tiny, and we are not transparent enough when we want to attract investments, we lack substance; on the other hand, we are so small that, in terms of quantities, the companies which want to, for example, order certain quantities of furniture, footwear or alike from a company in Croatia, Montenegro or Serbia, these companies do not have sufficient capacity to be able to meet the requirements of the purchase order. This brings us to a second inspirational or motivational step which implies regional cooperation both on the level of small and medium enterprises and on the level of large enterprises. I will only say that Copechim 2004 has for the first time gathered around the entire Serbian energy industry and the entire energy industry of Croatia, who have connected in the domain where Croatia had concessions, but did not have sufficient capacity to explore oil. The aim of this project was to draw the attention of Investment and Export promotion agencies in Croatia (APIU), in Bosnia and Herzegovina and in Serbia (SIEPA). I have to say that everyone's reaction was positive, with the exception of Montenegro, so I had to ask Prof. Veselin to comment on that. On that occasion Mr. Medojević, who heard about the project, said to me: "It will never work out in Montenegro because everyone here wants a percentage." What I'm trying to say is, if we, the people who live in this region, perceive ourselves in such a way, how do we expect to attract foreign investments from serious investors instead of some suspicious capital. In my opinion, the issue of regional cooperation is not only a macro approach, it also requires a concrete cooperation of small and medium enterprises and other entrepreneurs which can make it happen.

PROF. VESELIN VUKOTIĆ, PhD

RECTOR, UNIVERSITY OF DONJA GORICA, PODGORICA

As a political leader once said, I will not mention any names. Whether there is corruption or not, I do not know. What I do know is that there are many foreign investments in Montenegro but there are many other barriers of which I do not want to speak on this occasion. We are experiencing internal issues of primarily regulatory nature. Furthermore, we are also experiencing the return of socialism which is a problem in the entire region, and protectionism as well, and in my opinion, that issue is by far a bigger problem than some sporadic issues.

PROF. DANICA POPOVIĆ, PhD

FACULTY OF ECONOMICS, UNIVERSITY OF BELGRADE

I also wanted to bring up this topic. Judging from the publication *Cost of Doing Business*, all the regions are ranked astonishingly low on the list when compared to the ranking before the war. Had there been no war, the entire region would be ranked much higher on these lists. From the perspective of political economy, we are aware that the problem lies in the fact that there

are personal interests, there are people on high positions who take money for certain things and that is the reason why we have stupid regulations and long procedures, we are all aware of that. The situation in Montenegro is very similar to the situation in Serbia, if not identical

MAHMUD BUŠATLIJA

ECONOMIC CONSULTANT, BELGRADE

I apologize in advance if I fail to differentiate the problems as agreed, but a problem for me is the problem in its entirety. When it comes to regionalization, we have to bear in mind the fact that Serbia takes the last position in the entire Europe when it comes to the difference between the most developed and least developed municipality. If we observe this from the perspective of the region, with Albania and Macedonia on one side and Slovenia on the other, than this difference will be even more evident. Therefore, from that point of view, the cornerstone of the existence of this region are the investments. In order to present the meaning of the investments and the type of investment, I will briefly describe the situation in Serbia over the past 12 years.

From 2001 until the end of 2011, 33 billion euros were injected into Serbia through investments, direct foreign investments, portfolio investments, middle-term and long-term loans. During this period, 820 thousand workers have lost their jobs based on the estimate of the World Bank and the IMF, with additional 200 thousand in the grey zone. Since we have lost too many working positions in the real sector, we also lose the employment opportunities on the street, which means that the state will soon solve the problem of grey economy. Of all the investments amounting to 33 billion, middle-term and long-term loans make up for 16 billion. I have made an analysis of the last nine months of 2008, in the dawn of the economic crisis, when the crossborders were easily flowing into the country. The structure of crossborders during these nine months of 2008 was as follows: real-estate business 27.5%, retail and wholesale trade 18%, financial mediation 16%, which gives a total of 61.5%. Those are the investments which do not create employment opportunities. These investments did not create a single working position. The remaining 22% consist of the processing industry which imported raw materials in order to export the final product, and which gave good results because export rate was good. On the other hand, with the exception of construction industry with approximately 7% in refurbishing, technical means and initial materials, all other sectors – transport, mining, hotels and restaurants, agriculture, all other commercial activities together comprise 16%. None of the crossborders over the period of these ten months has created a single employment opportunity. This refers only to the ten months of 2008. Let us return to one political intervention – planning of the country's development. In the year 2003, profit tax in this country was reduced from 14% to 10%, with the explanation

that they want to stimulate investments. During the past eight years, when you consider the profit tax received by the state, under the presumption that everyone has paid the said 10 per cent and not less due to various tax benefits, one may conclude that the profit realized during the past eight years amounts to 21 billion Euros. Most of us here know that profit, after the tax deductions, clean, is distributed into investments and personal consumption, i.e. to the dividends intended for personal needs. I would like to see, I would like someone to tell me where did these 21 billion Euros disappear. Therefore, this analysis shows that we have since the very beginning, since 2001, been treated by those who evaluate our credit rating as the area where speculative investments are present. I do not have access to the data on other countries in the region, but I sincerely doubt that any of them has a better result than this; I even believe that the results in other countries are much worse. Therefore, first of all, we ought to invest efforts into regionalization; I agree with this idea completely, that should be our step towards the future. I am not saying that this future will be bright, but at least it will be certain. We ought to try to make the regionalization come true, to make us bigger, before most when it comes to economy, and perhaps to use the regionalization to influence the politics to change its positions, i.e. to start operating in the public interest, not in the best interest of oligarchies, no matter what country is in question, whereas this can only be achieved through a reform of the public sector. Therefore, I propose to expand this document, the text with which I agree completely and which has shed some light on every aspect of the future integration, with a proposal for a reform of the public sector which would be applicable to all the countries in the segment in which they need it the most. This is essential if we want to prepare our countries to be able to accept investments which would provide employment and normal life for people in the third age. These are the only two issues all governments would have to deal with, at least for the next 20 years. Therefore, I believe that one of the conclusions of this meeting should be that the proposals have to be supplemented with a clear proposal what needs to be changed within a country for it to be able to function. By this, I imply the situation we have here in Serbia where we have less employed than retired people. That is completely unsustainable. The current crises has taught us that traditional two and a half workers are not sufficient to sustain one retired person. It cannot be achieved without at least three or four workers for one retired person. Therefore, how is Serbia supposed to provide for the retired people when it is unable to employ five million people in order to have sufficient people to pay contributions? This is one of the key questions which need to be considered. The second issue concerns the management of state property. All these problems have their consequences in the sphere of, before most, public finance and public administration. And then, after we take care of these problems, other things will also become operational, and economic cooperation will be more active. Because, on this territory, the only integration which was successfully implemented is the integration of criminals. It existed

during the past 20 years at any moment, it is the only thing that works well and it goes beyond the borders of our region. Therefore, if we create an environment where the investors would see interest for them, if we create a potential for capital, and if we allow the people and the ideas to circulate freely throughout the Balkan region as they used to do, we can all hide behind our border lines, but we will have at least one single interest and that is to live well. Then we will be able to leave the politics to the politicians, let them discuss where the border lines are and how they will rule within their border lines, and the rest of us, we will then have a common position among all of us which says that we want to live normal lives, to have the right to work and for our children to have a right to a future.

PROF. DANICA POPOVIĆ, PhD

FACULTY OF ECONOMICS, UNIVERSITY OF BELGRADE

I am afraid that in 2012 it is too late to say “reform of the public sector” and include this as a serious measure in any document. What did you have in mind?

MAHMUD BUŠATLIJA

ECONOMIC CONSULTANT, BELGRADE

I had in mind the reform of the entire public sector, as I said this morning, and I will repeat now. It implies a reform of the public administration, public finance, here we call them public enterprises, even though this term also includes public utility companies. Therefore, the companies which perform utility services, then we need a reform of the pension plan, soon the health care system will also have to be reformed because it also manifests all the weaknesses, and in the end there should be a reform of the public and state property management system. The first measure which is required urgently is to create such reforms.

PROF. PREDRAG SIMIĆ, PhD

FACULTY OF POLITICAL SCIENCES, UNIVERSITY OF BELGRADE

Up until seven years ago, the question was whether Balkan or the Western Balkan even exists as a region. The legacy of the former Yugoslavia was that until the beginning of 70s Yugoslavia was not a European country, it was a part of the Third world, that is where it was directed towards politically speaking, as well as commercially, and at the time we even had the entire infrastructure, financial, export, construction, which was directed towards the Third world. This situation started to change only after Helsinki. Allow me to make a brief illustration – from the former Yugoslavia, from Belgrade or Zagreb, you could call New Delhi, Angola, Luanda by phone, but you would encounter major problems if you attempted to call Vidin or Temisoara. In other words, if you

are to take a look at this infrastructure today, it is somewhat better, but still insufficiently developed. It would be sufficient to embark on a journey over the territory of Balkan to notice that you will quite frequently encounter strange roads. Here in Serbia, we have an idea, we like to say that we are leaders in this, we must have inherited such idea from Miroljub Labus who used to say that; however, if you take into consideration the geographical position, the map of regional roads, trans European roads, we can easily be bypassed. It would be enough to construct Corridor 4, i.e. to construct the famous bridge between Calafat in Romania to Vidin in Bulgaria to get an alternative. During the past ten years since the end of all the wars, the European Union has done plenty in this respect and I believe that an idea which first appeared in the 90s has proven to be exceptionally good, and that is the idea about new CEFTA; the CEFTA which inherited the old CEFTA agreed in Višegrad; the CEFTA which is, at least in this country, observed as the only place where trade surplus is made, which partially compensates for the lack of volume in commerce and lack of fragmented economy, which is good. However, the problem is that CEFTA will lose one member next year, which will be observed as good luck by some, for example Tobacco industry in Niš and Vranje, which will get rid of the competition from Rovinj, which brought them nothing but problems so far. Croatia will have to look for compensation for one part of the trade where they will have a status. Therefore, the conferences held by Boris often mention the creation of a New Commonwealth. However, it is a fact that we still cannot answer the question what is the region or Western Balkan. The Western Balkan area will shrink. It is probable that with the exit of Croatia from this construction, from CEFTA, as well as from some other arrangements, the CEFTA will reduce. I presume that sometime soon Montenegro will be on the same road, because I do not see any reason why they wouldn't exit CEFTA, unlike other three republics. In the end we are left with a question: are we actually losing what we gained some ten years ago through CEFTA and other regional networks in the sense of strengthening these regional connections due to further expansion of the European Union and the pause which will probably take place after the accession of Croatia. As you may know, after the accession of Croatia there will probably be five, six, seven, eight to ten years of pause, if we are to believe not only to Angela Merkel, but also to the other countries, so basically we have only one question – how to implement ideas we are discussing here? What are the small countries to do, since they are burdened with demographic problems which later grow into a problem of public finance? I will give an example – it is said that Serbia needs 3 billion from foreign revenues by the end of this year. Next year, I presume, Serbia will need at least one or two billions, under the conditions that it has a sound economic politics, because Serbia, as is the case with many countries in the region, is simply not economically self-sufficient which once again raises the question of regional cooperation on the territory of former Yugoslavia.

PROF. DANICA POPOVIĆ, PhD

FACULTY OF ECONOMICS, UNIVERSITY OF BELGRADE

It would be good if you could give a concrete proposal how to do what you think would be good for the region?

PROF. PREDRAG SIMIĆ, PhD

FACULTY OF POLITICAL SCIENCES, UNIVERSITY OF BELGRADE

It would be difficult. Because, during the time Croatia was a member of CEFTA, Serbia and Croatia functioned as a duo, especially during the past several years when everything worked well and this cooperation gave meaning to the idea of CEFTA. However, when Croatia ceases to be a member of CEFTA, I presume that Serbia will not be welcomed as a new leader in any of the remaining countries. I personally expect problems, because we might be tempted to appear as leaders in the region, but the problem is that none of the neighbouring countries want regional leadership of Serbia.

PROF. VLADIMIR GLIGOROV, PhD

RESEARCH ECONOMIST, THE VIENNA INSTITUTE FOR INTERNATIONAL ECONOMIC STUDIES

I wish to add something to what Predrag was talking about, but from a different angle, because I have been involved in the regional cooperation since 1996, since it was a major topic after the end of the war in Bosnia, then later with the Stability Pact and then with CEFTA.

What was the idea of CEFTA? That is, at the same time, the major problem and the major, potential, solution. CEFTA is an idea that originated in Brussels and was practically implemented from Brussels. Before CEFTA we have had bilateral trade agreements which also originated from Brussels, followed by multilateral agreement called CEFTA. It is called CEFTA, and not SEFTA because Croatia did not want to accept the name South East European, but wanted a Central East European agreement instead. There are certain technical reasons why it is so. In any case, the idea was not to significantly increase the internal trade. The reason is as follows, and there is even an essay on this in this book, the reason is that the trade between the CEFTA members is now greater in volume than the projected one, especially when we consider Serbia. In other words, if there were free market agreements with other countries as well, Serbia would export less than it exports now. Therefore, potential trade volume was not the key factor. The key factor, the key reason why CEFTA was insisted on was to create a bigger market or a bigger territory for investments. It was concluded that there are not many investments in this area because there is a boundary on who knows how many kilometres and no matter how easy it is to cross the boundary, it is always costly and it always creates uncertainty because you have various political

entities which may deliver various decisions. Not only that corruption increases the costs, but also the economic policy. Also, there is a factor of time which is lost at the boundary. The idea was, if you are to remove those boundaries, then the investor has bigger area for investments and they may optimize the business on such area, and therefore the idea was to attract the investments which were lacking, and are still lacking, especially in terms of industrial plants, as Bušatlija said, because industrial plants require certain economy of volume. Trade is one thing, finances are something else. Such investments were not lacking, in fact there were probably too many of them. Therefore, that was the idea. The problem is that all the uncertainties which were perceived and which were supposed to be removed with the introduction of CEFTA were, in fact, not removed. Partially because when CEFTA, the idea, was formulated, we were expecting that it will be harmonized with the acceleration of accession of these countries to the European Union. When this idea was discussed in 2004, 2005, and 2006 and even later, the idea was that it is a preparation for the accession to the European Union, and it was expected that such accession would follow quickly and in succession. First Croatia, then Montenegro, then Macedonia, and so on. In any case, the process was expected to finalize by 2015 for the entire region. And then, in that context, the removal of internal uncertainties, removing the uncertainties concerning the relationship towards the European Union, you have the idea that this arrangement would attract significant investments, including the first and perhaps the most important type of investments - development investments, in other words infrastructure, because it is true that it is easier to leave the Balkan than to move through the Balkan area. This situation changes, bit by bit, but in principle this statement is still true. Thus, first the infrastructure, then industrial production in order to create these small and medium companies which will subsequently be connected. You cannot have a big industrial production in Macedonia, it is very difficult, but you can have portions of a huge system, manufacturing of parts for an industry established somewhere in the region. That was the idea. However, two things did not happen. First of all, the internal uncertainty did not reduce; in fact it has increased greatly with this crisis. Why didn't it reduce? Because it was expected that certain coordination of economic policies would take place. For example, you have countries which have flexible exchange rates, and you have countries which have fixed exchange rates. That is not the same. If you want to, for example, to devalue in Serbia, that would have the same effect as the introduction of customs fees towards other countries. In essence, it has the same effect. You will then have to find a way to coordinate it. Then, if you manage to coordinate it, you have a fiscal policy which is also a substitute, because if you have taxes, it is again the same thing, and so on and so forth. It was expected for this to happen, but it didn't happen because there was no coordination. Thus, you have all these problems, plus you have the uncertainty pertaining to the accession to the European Union. And then comes the crises characterised by the lack of investments and the entire idea about the regional

cooperation, based before most on the idea to attract investments and not so much crossborder trade, becomes a failure with little chance of coming true under the circumstances.

What does it mean now? Three things. You have to be clear about where you are going, in order to have this, regardless of whether it is 10 or 15 years, from the investment point of view, it is not that relevant. If you know that it is 10 to 15 years, you can calculate. If you say, since it is 10 to 15 years, then we can see whether there is something in the left, maybe something in the right, to the south, and so on, then it is an entirely different situation. That is one thing. Second of all, you have to have coordination of economic policies. Therefore, there has to be a political dialogue about whether you will use the measures which may have detrimental effect on other parties, do you have some regional idea about it, to introduce yourselves to an investor as a region, because that is the whole idea. And third, internal uncertainties have to be reduced. For example, if you have dialogue about safety, through institutional and political discontinuities, and so on. These are the three conditions required for all of this to function. These are all concrete ideas. In this context, with the present situation, in my opinion, CEFTA does not have a future, not because Croatia is exiting CEFTA, but because these three conditions will not be met. It will survive, but it will have non-market, non-customs barriers; you will have additional political barriers because the countries will be defending one from another, such protectionism will be very appealing. And that is the problem. These three things would have to be done. In this regional context, other countries can also join, countries from the European Union, someone mentioned the Nordic countries, that is a good example, to a certain extent. Regionalization of the parts of the European Union and the parts which are outside the EU is not impossible. It is not impossible. It is possible if you want it. It could be Slovenia or Bulgaria. We have the situation that we have Albania in CEFTA, and not, for example, Bulgaria or Slovenia. If you observe the situation from the economic point of view, Albania is practically not even present in the Western Balkan, because it cooperates commercially with Greece and Italy. They practically have no trade or anything else. Therefore, they are there for security reasons. The term Western Balkan relates to security, not to economy. If we are to think regionally, this is the domain in which we should think, not because this is the only remaining thing for us of the entire European idea.

PROF. MOJMIR MRAK, PhD

FACULTY OF ECONOMICS, UNIVERSITY OF LJUBLJANA

If we take a look at the joining of the countries of the Central and Eastern Europe, the story institutionally begun with these so-called Europe Agreements. Here in the region, these agreements were called somewhat different - Stabilization and Association Agreements and they had regional connotation, but with a political element, at the time when it happened, it was logical. In my opinion, a

key issue is what Vladimir said – the fact that we are discussing in the context of regional cooperation. I believe that if we are talking in advance, this discussion that the regional cooperation in relation to the countries which are in the middle of the accession process and that it is some sort of a preparation for the European Union, I think that this idea has been *de facto*, surpassed. *De facto*. With this, now this space becomes so narrow, not to say that there is no room for cooperation, but if we are talking about a true regional cooperation, I believe that we should consider the idea about involving other countries which are formally in different relationships towards the European Union. This complicates the situation to a certain extent, but that is a fact. It is not, if you take a look at what is going on in Europe as well. During the past several years, much was said about the so-called macroregions. You have the whole story in the Balska region. Also, a Danube region is frequently mentioned. The crucial thing is, and that is in my opinion the problem here, how to profile this region opposed to a non-region, what does it include. It would be good if it were to be profiled as an area interesting for some reason, probably for investments. And if you take a look at all these regions, it is all, at least in the first phase, more or less related to the infrastructure. Let me tell you about my experiences. I have travelled a lot during the former Yugoslavia, to Belgrade, at night (in sleeping cars) and it so happened that I have done it again last year, I will never do it again, I am sure. I think I was awakened five or six times. Very well, those are the real things which we will have to accept if we want this regional cooperation to work. If we are talking about the regional cooperation in the future, we have to go beyond the countries which are at some phase of accession to the European Union; we have to have an integration of countries with different statuses. This does not imply solely the countries on the territory of the former Yugoslavia. I believe that we will have to arrange these things a bit differently. The thing that Vladimir said about these political issues, the Stability Pact, the investment compact, there were various attempts, but the issue was, *de facto*, not accepted on the inside. Without a true pressure of the region, a common pressure of the region towards these external factors, it is clear that it will be considered as non-credible and that special thing, what Vladimir said, not the internal problems, whatever, we are still carrying such a burden, economical burden, problems which will represent impediments if not resolved. Here we have things pertaining to succession; those are the things which *de facto* create certain problems in this context.

PROF. DANICA POPOVIĆ, PhD

FACULTY OF ECONOMICS, UNIVERSITY OF BELGRADE

This adds up to what Predrag said. Someone from the inside should set the thing in motion, and if Serbia does not want to, or if Serbia wants to, but others would not accept it, then this opinion is impossible. Was this your conclusion as well?

PROF. MOJMIR MRAK, PhD

FACULTY OF ECONOMICS, UNIVERSITY OF LJUBLJANA

I believe that this does not only refer to Serbia. If such initiative is to be set in motion, it would probably have to go wider and include some of the existing members of the European Union.

PROF. DANICA POPOVIĆ, PhD

FACULTY OF ECONOMICS, UNIVERSITY OF BELGRADE

I agree, but who would have to be the leader in such a case? Is it the impossible opinion when you have the situation you actually have on the inside? Because Slovenia as part of the European Union cannot achieve anything about it, nor does it have the interest to invest itself more into the problem than us who obviously cannot do that by ourselves.

PROF. MOJMIR MRAK, PhD

FACULTY OF ECONOMICS, UNIVERSITY OF LJUBLJANA

No, if you have a common position; I have seen that the region has formulated a relatively good program for pre-accession assistance for the following period. I know that Serbia has been quite active during the preparation process. Unfortunately, the projections were not realistic; the very concept is not realistic. And also, these countries have to show their interest together, and that is where they fail.

PROF. VLADIMIR GLIGOROV, PhD

RESEARCH ECONOMIST, THE VIENNA INSTITUTE FOR INTERNATIONAL ECONOMIC STUDIES

I believe that it would have to continue to come from the outside. Internal potential is in my opinion too weak. However, I would like to repeat what Mojmir said, that there is a significant effort to start a so-called Danube initiative, because it is clear that what remains of the Western Balkan is not enough. The Danube initiative, if I understood correctly, should include the entire Danube basin, which means not only the countries where the Danube flows, but more or less all the countries, including Montenegro. I have learned this a few days ago. I apologize, but Montenegro is a part of the Danube initiative and in my opinion there is a significant infrastructural potential.

BORIS VUKOBRAT

PRESIDENT AND FOUNDER OF THE PEACE AND CRISES MANAGEMENT FOUNDATION

Does this include Switzerland?

PROF. VLADIMIR GLIGOROV, PhD

RESEARCH ECONOMIST, THE VIENNA INSTITUTE FOR INTERNATIONAL ECONOMIC STUDIES

No, not Switzerland, but it does include certain parts of Germany.

PROF. DR. SC. ŽARKO PUHOVSKI

FACULTY OF PHILOSOPHY, UNIVERSITY OF ZAGREB

The Romans used to call the river Danube Ister, because they believed that it flows into the sea in Istria. What I am trying to say is that these regions are simply a result of discretion, in fact political discretion. The term “region” is translated into old Croatian legal language as “ovlasnica” – area over which someone has power, authority. It is not a question of geography or the question of economy – it is a political question, even though it is often disguised as something else. There is a spontaneous geographic region. The only highway in Croatia and the only railroad in Croatia which are economically sound are to ones leading towards Belgrade. Only, the highway has a different name. Only after the 205th kilometre from Zagreb one can see a sign that the highway actually leads to Belgrade, up until that point it says Lipovac. And that is the only thing that repays itself in Croatia. That is spontaneity; all other things are the result of political decisions. Who is going to be in the same region, whether it will be Albania or not... The Government simply says that Albania is from the economic point of view turned to the other side, but it is politically a part of what I call the “black hole” of Europe. As opposed to the “pink hole” which is Switzerland, the “black hole” is the Western Balkan and that is a political decision. It was a political decision to accept two completely semi developed countries such as Bulgaria and Romania into the European Union. We have something which might be scandalous for you economists. I went to Vršac where I saw workers from the European Union who work in Serbia. It is a paradox. Until now, the European Union was always the one who imports foreign workers, and now they export them. I was offered a Bulgarian passport in Zaječar four years ago for 150 Euro because they are members of the European Union. Therefore, that is not the European Union. It was done to avoid what Zdravko spoke about, to prevent Russia access in this region. That is why these two semi developed countries were accepted into the European Union and are now a disgrace of the European Union. Now, Croatia has to pay the price, whereas Montenegro and Serbia will pay even more because they were burnt before.

The fundamental historical rule we have learned is – whenever the market was greater than the political power, there was instability. Therefore, whenever we have market agglomeration or market spaces where there is no control, at least administrative if political control is not possible, there will be instability and turmoil. The European Union is a textbook example. They went one step

further – from coal and steel to something that is para-governmental. The first document was written by a philosopher Fuser, who wrote about economy, and then political elements were introduced into this document. In other words, and this should come as a proposal – whenever we speak about regional economic cooperation, we have to talk from a political point of view. It is highly unpopular, if you let me be honest. Therefore, we have to talk about delegating a portion of the country's independence somewhere else in order for a region to function. No one likes to hear this, but without it things simply cannot function. The market cannot function if it doesn't have some sort of an administrative background, to put it in the most neutral and most abstract way. If it is observed as an economic issue alone, then you will have this – Croatian railroads, Croatian highway and nothing more. Because that is where the goods are going. Nevertheless, Croatia is building a railroad to Rijeka which is eleven times more expensive and has approximately four times less traffic when compared to the railroad leading to Belgrade. There is also 183 kilometres of railroad through the plains from Zagreb to Slavonski Brod, where the fastest train travels the distance for 2 hours and 12 minutes. This situation exists only in the Great Britain, where the railroads are privatized, and nowhere else in Europe. These are the things that indicate the problem. Therefore, apart from spontaneous, geographical regions, the other types of regions are a political fabrication and should be treated as such. This is my argument and that is why the political aspect of regionalization should always be emphasized. Similar to what was said about municipal, i.e. regional division of Serbia, it is said that municipalities or regions should have political power in order to function, therefore it is something bigger than Serbia, something supranational, these authorities, powers have to be transferred because otherwise, in my opinion, they cannot function. I believe that experience has proven this to be correct.

PROF. VLADIMIR GLIGOROV, PhD

RESEARCH ECONOMIST, THE VIENNA INSTITUTE FOR INTERNATIONAL ECONOMIC STUDIES

I agree that the market brings political instability. On the other hand, unfortunately, if there isn't an international market, the countries themselves have a tendency to be unstable. National systems, the systems of national states in Europe used to be quite unstable, so we have to have both of these aspects. The administrative extension over the market does not provide stability by itself. The market in the European Union has proven to be quite stabilizing from time to time, but certainly there is a degree to which this is possible. Unfortunately, when it comes to what we are talking about here, to regional cooperation and alike, then you have the minimum of what I have proposed, and that is the coordination of economic policies. That practically means that you reach agreement on something and transform that agreement to a higher level. This does not imply the transfer of sovereignty in the strict

sense because we are talking about contractual relations, but this certainly implies taking care of the other party. That is the minimum minimumum, I would say, for the regional cooperation.

PROF. DR. SC. ŽARKO PUHOVSKI
FACULTY OF PHILOSOPHY, UNIVERSITY OF ZAGREB

I agree completely, but the instability by itself is not a bad thing, just as it is not a good thing by itself. Some time ago I objected strongly to the title of the pact – the Stability pact because this region needs everything but stability. Therefore, the existing situation has to change, and that implies instability. And we all agree on this. However, I believe that we are faced with an additional problem: older writers believed that the sovereignty ceased to exist with the League of Nations. Thus, it was believed that each international agreement represented a mutilation of sovereignty of a certain country. This idea is archaic today, but it was widespread at the time. Therefore, it was believed that the country is giving something. The ideas which are not appreciated by the country are also not appreciated by the state officials and the citizens. But we have to be fair. The problem is not only that the bureaucrats are holding to their positions. When the citizens of Serbia or Croatia feel as if they are losing a part of their sovereignty, they raise their knives and guns because they do not like that. Therefore, this is something that has to be sold to the public very carefully. People, it is essential and it makes sense. That is the only thing I insist on at this point.

RANKO RISOJEVIĆ
REPRESENTATIVE OF THE PEACE AND CRISES MANAGEMENT FOUNDATION
IN BANJALUKA

I see this problem that Prof. Simić presented differently. Namely, I believe that Croatia would care more about establishing wider and stronger connections with Serbia than vice versa. You know, in 1918 all merchants who operated on the territory of former Austria-Hungary were terrified because they got numerous boundaries. They did not know what to do, how to export to Ukraine. They had to go through five boundaries, and if politics permit, and in the end it has to permit, these things are self-regulated. We badly need deregulation because too many things are regulated, which means that the market is politically mutilated and the territory is mutilated so badly that in my opinion it needs to be left to regulate itself. That is exactly why we have a theory that liberal democracy requires a liberal economy and various other things, and that is an American export product. Are there any political reasons why Romania and Bulgaria have built only one bridge over the river Danube and merely started the construction of the second one, as well as that one side does not want to accept it, it gives up on the idea? I believe there are.

PROF. VLADIMIR GLIGOROV, PhD

RESEARCH ECONOMIST, THE VIENNA INSTITUTE FOR INTERNATIONAL ECONOMIC STUDIES

That is the example that Erhard Busek used to give, and it was his long-time dream to build that road because that was the project he was working on as part of the Stability Pact and some other organizations. Well, the reasons are not only political. They are economical as well – where to build the bridge in question? Such a decision makes a significant change, the value of land increases and alike, and therefore, for that point of view, the issue is quite complicated. But it is also true that the commodity exchange between Romania and Bulgaria is insignificant. If that road is to be observed as a road that connects Romania and Bulgaria, one cannot help but notice that such bridge would not bring any significant economic benefit to either of the countries, therefore, the countries have to be convinced that such road would lead to who knows where, through the entire Europe and that such bridge would connect such roads and so on, and only then it would have sense to them. In the end, they managed to convince them, but there was no internal interest, either economic or political, to a certain extent.

PROF. DANICA POPOVIĆ, PhD

FACULTY OF ECONOMICS, UNIVERSITY OF BELGRADE

Are we to conclude then that here we also do not have political or economic motives to establish any form of regional integration? Yes.

RANKO RISOJEVIĆ

REPRESENTATIVE OF THE PEACE AND CRISES MANAGEMENT FOUNDATION IN BANJALUKA

The Bulgarian idea to direct its trucks through Serbia is beneficial for Serbia. That is enormous traffic volume. Bulgaria also wants their passenger transport towards Turkey to go through Serbia.

MIJAT LAKIĆEVIĆ

JOURNALIST, BELGRADE

I would like to briefly comment on the issue you brought up whether there is interest in the region. A few days ago a big meeting was held at the Serbian Chamber, similar to the previous one held a year ago in Opatija. The meeting gathered the managers from the region and one of the most interesting panel discussions was attended by *Agrokor* from Croatia, *Danube Food Group* from Belgrade, *Tedesco* from Croatia, *Atlantik grupa*, *Droga* from Slovenia, even though *Atlantik* has made many purchases lately. One of the issues raised and

discussed between the parties was whether they should integrate, who is to purchase whom; there were various offers, but to this date, no agreement has been made. Therefore, there is an interest in commerce, they are thinking about these issues, just they have no ability to make it happen. It is also possible that there are certain political impediments. For example, there is a summit titled *One Hundred Business Leaders in the Region*. It was supposed to be held in the Brioni, but Tadić did not feel comfortable going to the Brioni last year, so it has this negative political connotation, at least in Serbia. This year it was supposed to be held in Arandjelovac as the year before, but Nikolić, the newly elected President of Serbia, refused to attend under the excuse that it is Tadić's project and something that Tadić needed. And last year, when the change of Government was taking place, there was a disagreement about who is to attend this summit, prime ministers, presidents, and they do not agree either. There is an abundance of problems in relation to the functioning of these business alliances and to the interconnecting.

ANTE RAOS, PhD

A moment ago when we discussed regional relations, we have reached the conclusion that the problems are numerous and that there are no internal forces which could resolve these problems. Therefore, we are aware of all the things that need to be done in our newly formed countries, but we are also aware that we do not have the strength. We observe the current situation where we have internal problems and problems between the countries as well, then, in my opinion, the European Union is the only authority that gives at least some hope, regardless of whether it will happen in five or ten years. You could notice that, as soon as a country is close to the European Union, they try to adapt the laws in their country. Just think of what happened in Belgrade, where we had a situation with the personal solution of the governor of the Bank of Serbia. The immediate reaction was that European Union will not allow it, are you crazy to take it and alike. Therefore, one of the messages from this conference should be that we have to direct towards the European Union and do whatever they ask us to do. Hypothetically speaking, the European Union has no alternative. Certainly, there might be some other solution, but this country is running out of time. We have to implement the solutions that work; I believe that the European Union is the force that can resolve issues we cannot resolve ourselves. This should be one of the messages of this conference. The other thing I wanted to discuss is this Foundation that celebrates 20 years of existence, with great ambitions to help solve the problems we are talking about here, but it is obvious that nothing can be achieved through these plenary meetings held once in a year or every two years. The problems that exist in Bosnia and Herzegovina are not the same problems that exist in Serbia from the perspective of these newly formed countries. My proposal is to try to

establish, so to speak, a branch in each of the newly formed countries whose assignment would be to deal only with the problems in their area. In my opinion, this would help bring the issues we discuss here to a lower level on which something can actually be done.

ELISABETH KOPP

FORMER VICE-PRESIDENT OF THE SWISS CONFEDERATION

I have several questions. The first one relates to what the previous speaker spoke about. Therefore, not only that the congratulations are in order, but we also have to find out who forms the public opinion in Serbia and in the other countries in the region, in the countries of former Yugoslavia. In terms of public opinion, who are the leaders in the former Yugoslavian republics? We hear a lot about the corruption in the government, state administration, in all of these countries, and it does not inspire much confidence in the general public. Thus, it is very important to know who forms the public opinion. Do the politicians form the public opinion? Are the media 100% free? These are all the preconditions for the creation of independent public opinion.

We also discussed the issue of economy. I would like to hear more about the involvement of the Government when it comes to commerce and economy, and in what way can the influence of the Government be beneficial to the free market?

PROF. DANICA POPOVIĆ, PhD

FACULTY OF ECONOMICS, UNIVERSITY OF BELGRADE

Who forms the public opinion? Who are the leaders when it comes to public opinion? We do not have the creators of public opinion. We only have the people who are in charge and we have to accept the laws and to withstand the pressure of the EU to change these laws if we want to become a part of the European Union. The other mechanism is the IMF. If any reforms are being implemented, it is not because there is internal drive to implement such reforms, or because there is a firm and strong desire in the country to do something like that, but because we have these two types of pressure that do not lead Serbia towards changes. These are no credible leaders in the sphere of public opinion. The political parties do only what they can at this moment. However, they change opinions so frequently that one day the sky is black and the other day the sky is orange. Thus, under the pressure present in the Parliament, based on how they vote, we can conclude what we are said to do at any given moment. I am not against the reforms, quite the opposite, but I fear that there is no internal drive to implement the reforms or any true leaders of the public opinion who convince people that something has to be done. We do things because we have to. I believe that we have a similar situation

in Montenegro as well, and I believe that our guests from Montenegro would agree with me. They also do what they have to in order to become a member of the European Union and in order to make steps forward.

ELISABETH KOPP

FORMER VICE-PRESIDENT OF THE SWISS CONFEDERATION

Are the media completely free or are they under the influence of the politicians?

MILADIN KOVAČEVIĆ, PhD

Of course the media are not free. They are under the influence of numerous politicians. I have a bit different opinion on this topic. There are numerous laboratories, centres which deal with economic politics and current tendencies, reforms and similar topics, which also have influence over the international organizations, i.e. they have great influence over IMF; however, their influence on the local decision makers is not great. These include the Centre for Economic Studies at the Faculty of Economics and certain other institutions in the country, but the public opinion, the creators of the public opinion affect the public opinion in the wider sense, but do not affect the decision makers themselves. This certainly doesn't mean that the decision makers do not take into the consideration the opinion of these centres. The relationship between the politics and the media is a complex one. The politicians, the media and the decision makers communicate among themselves and that functions as a complement. The political authorities have major influence on the media, just as the media have a major influence on the decision makers, but it is a very complex issue and we should not discuss it at such great detail at this moment.

PROF. MIHAILO CRNOBRNJA, PhD

FACULTY OF ECONOMICS, FINANCE AND ADMINISTRATION – FEFA, BELGRADE

I would like to return to the topic of the second session and that is the European Union. Many of you here know me not as Eurosceptic, unlike my colleague here, but in Belgrade they see me as a europromoter. Regardless of the internal problems and the crises in the European Union, I am still convinced that the EU is not the only, but the best alternative for Serbia and other countries in the region, with the exception of Croatia which is practically already a member. There are always alternatives; there is self-isolation and strategic partnerships on other sides. Serbia is a good example for this – we have strategic partnership with China. They build our bridges and we export, you wouldn't believe, the goods worth million and six hundred thousand Euro to China. We have managed to export the goods worth one million and six hundred thousand to

a country that has one billion and three hundred thousand citizens, and that is our strategic partner. Listen to this. We came across these data four years ago while we were preparing a platform on the advantages of European alternative for the previous elections, because the thing was up to "Ivica and Marica". Whether they were european or antieuropean – it was practically measured in one per thousand. We were working on this study and came across the following information: Serbia exports more to Italy than to Latin America, North America, Asia, Australia and Africa together. What does this tell you? It tells us about our enormous bonds with Italy, Germany and Austria as well, and with other countries, including Greece and other countries of the European Union. Imagine for one moment that the European Union does not exist, that it disappears. What do you think, would we export to Australia and New Zealand under such circumstances? We would still export to the above mentioned countries. We have natural connections with these countries and it has been so since the end of the 80's, as far as I know. Since the year 1988, 1989, export to European Union, which at the time consisted of 12 countries, comprised 50% of our overall foreign trade. Serbia has natural and economic bonds with the European Union, and I presume that the situation is quite similar in other countries. Naturally, I do not have anything against the idea to seek economic markets wherever you can, the orientation towards the European Union is not exclusive and the EU does not require of us to be exclusive. If you want to trade with us, do not trade with China or Libya. There is no such request. Therefore, let's trade wherever we can, let's export, let's import if the products are good. However, when you take a look at the whole picture, the European Union is the place where we export the most and from where we import the most, but on the other hand, it is the only supranational organization which is in fact financing us to join the European Union. Thus, through pre-accession funds, this year Serbia got approximately 210 million Euro, it will perhaps get 230 million Euro next year, which sums up to approximately one billion and two hundred million Euro of non-returnable funds in this budget cycle. For what? For the development of institutions, for the development of infrastructural systems, for things which will benefit us whether we join the European Union or not. I am not saying that we are spending all of these funds wisely, but they are mostly spent on things which improve the quality of our society, improve the quality of civil society, improve the quality of infrastructure and administration, but then again, I deeply believe, taking aside all the omissions which happened here and in the countries in the region, it turns out, when we draw a line, that this is not an option free of all problems, but it is still the best option we have under the current circumstances, taking into consideration what is going on there, all the disadvantages and economic, political and other problems, it is the best option the region and the individual countries in the region have.

PROF. DANICA POPOVIĆ, PhD

FACULTY OF ECONOMICS, UNIVERSITY OF BELGRADE

The number of Eurosceptic is growing in Serbia; we are more than aware of this fact. Before most, due to the unofficial pressure of Europe to recognize Kosovo, and then due to Lajčak's announcement that it is not the only condition since new conditions will be presented soon. We cannot say that Serbian people, even though we are not rational people, does not want to join the Union because everything is better there, but simply... it is now a political decision to be made by Serbia, where this economic aspect is completely secondary at this moment.

PROF. MIHAILO CRNOBRNJA, PhD

FACULTY OF ECONOMICS, FINANCE AND ADMINISTRATION – FEFA, BELGRADE

Euroscepticism in Czech Republic is more evident than here.

PROF. DANICA POPOVIĆ, PhD

FACULTY OF ECONOMICS, UNIVERSITY OF BELGRADE

Of course, but why?

PROF. MIHAILO CRNOBRNJA, PhD

FACULTY OF ECONOMICS, FINANCE AND ADMINISTRATION – FEFA, BELGRADE

Until we join the Union, and who knows when that will be, there will be plenty of opportunity for things to change for the better or for the worse. I have spoken to Srba Branković and Srđan Vukosavljević, both of them managers of survey campaigns, and it seems that the main reason is not the issue of Kosovo, but the procrastination and the impression that something has changed in the position of the Union which resulted in the idea that other countries after Croatia should not haste to become members. And the general position that we are not as interesting as we used to be is more evident as a reaction among the people than the issue of the recognition of Kosovo.

PROF. DANICA POPOVIĆ, PhD

FACULTY OF ECONOMICS, UNIVERSITY OF BELGRADE

Very well, but when you read what the opinion makers, if any in this country, are saying, none of us is objecting to the second factor, but only to the first one – Kosovo.

AZEM VLLASI

ATTORNEY

Whenever we discuss these issues within the Peace and Crises Management Foundation, I always believe that these are not only empty stories because Mr. Vukobrat, inventive as he is, always manages to disseminate our work to certain addresses where people can see what kind of ideas we have.

Let us start from the question where we can see more euroscepticism and where we can see less of it. First we need to get one thing straight; Europe cannot pride itself with eurooptimism in the middle of the economic crises not seen for a very long time on its territory. There can only be euroscepticism. As far as the policy of the European Union towards this region is concerned, I believe that we have to clearly explain that Brussels cannot represent the European Union with the policy of double standards or with the attempts to please any of the parties involved. There is no justification for the position of Greece to sabotage the attempts of Macedonia to join the European Union just because of their name. For heaven's sake, what country has the right to order any other country what their name shall be when nothing in that name actually has anything to do with the said country. And then the other countries say: "You know, you Greeks are right. You Macedonians have to change something!" In my opinion, that is a position that lacks principles and it is beyond my comprehension how the EU has understanding for such behaviour of Greece towards Macedonia. I have also noticed behaviour that lacks principles in the position of the European Union towards Serbia, i.e. when it comes to the policy towards Kosovo. In fact, it is clear to all of us, both to the general public in Serbia and to the authorities, both before the elections and after the elections, it is clear to all of us that Kosovo is an independent country and the Kosovo is no longer and shall never again be a part of Serbia. But in Serbia, politicians are still saying: "You know, we cannot recognize Kosovo, it is a problem for us, in internal, mental problem". The Europe says: "Very well, you don't have to recognize Kosovo, but you have to establish normal relations with Kosovo." Twenty two member states, those most powerful among them which are the locomotive of the machinery called the European Union, say: "The question of Kosovo is resolved, the territory and the borders of Kosovo are set without question, and therefore, let us sit and talk, let us try to establish normal relations between Kosovo and Serbia." I believe that Serbia needs someone to help it to get out of the morass it found itself in when it comes to Kosovo. Serbia is stuck in the past and it has to make a step forward. Certain circles in the European Union are helping to maintain the situation by saying: "Go ahead, you got the EU candidate status, you do not have to recognize Kosovo, just try to normalize the relations somehow." Many people in Serbia, in Kosovo and all over the region find this message unclear. Or when it comes to Bosnia and Herzegovina, which means constant repetition. Bosnia and

Herzegovina is a complete country and it receives no help to get out of the internal morass where the entities, or even better one entity, denies the entire country and where their goal is not the European Union, but proving that the Bosnia and Herzegovina is a non-existing country, and there important circles in the European Union treat it as such by saying: "Try to make some sort of an arrangement and as you agree, so shall it be." It is also said that the *Dayton Agreement* has resolved the war issue, not only the issue of Bosnia and the war issue, but it also regulated the country as a country with two entities. In reality, the politics of the European Union is not represented by Mrs. Ashton, or Mr. File or any of the high representatives. The European Union as an association of free, democratic, independent states consists of independent countries. Therefore, Angela Merkel, the President of France and others are not the European Union. They say, and we understand this, Cyprus does not have to recognize Kosovo because they have internal issues, Slovakia also has internal problems and also does not have to recognize Kosovo, not because they are not aware of the reality that Kosovo is the last, seventh country which appeared after the disintegration of the former Yugoslavia, and then when you take a deeper look, you don't in fact know who is on whose side, who creates potential hot spots, conflicts, unresolved issues in the Balkan area. We all know that it is not up to one person to decide whether to accept Serbia, Albania or Montenegro to the European Union, we know that there are standards that have to be met and only then can a country join the Union. In my opinion, this has to be communicated to the general public and the elites in these countries in the region because it is not clear enough. The starting point of my idea is the Kosovo issue because I know that many people who represent the authorities in Kosovo believe that we should join the European Union as soon as possible, because the European Union covers up all the internal problems and weaknesses. After you join the Union, you close your eyes and you no longer see the domestic problems. And the European Union is not a level you have to achieve by changing the internal organization and by functioning as a normal European democratic country. I am not an Eurosceptic or an Eurooptimist, but the double standards and the position of the European Union about certain issues in the region also result in the slower progress when it comes to accession to the European Union.

PROF. VLADIMIR GLIGOROV, PhD

RESEARCH ECONOMIST, THE VIENNA INSTITUTE FOR INTERNATIONAL
ECONOMIC STUDIES

I do not think that the position of the European Union towards this region is not transparent or that one can never tell what is it that they want. As far as Kosovo is concerned, there is doubt that the position of the European Union implies for the normalization process to finish with some sort of mutual recognition.

PROF. DANICA POPOVIĆ, PhD

FACULTY OF ECONOMICS, UNIVERSITY OF BELGRADE

Well, that is not a universal position of the Union.

PROF. VLADIMIR GLIGOROV, PhD

RESEARCH ECONOMIST, THE VIENNA INSTITUTE FOR INTERNATIONAL ECONOMIC STUDIES

It is, in the essence.

PROF. DANICA POPOVIĆ, PhD

FACULTY OF ECONOMICS, UNIVERSITY OF BELGRADE

How so, when there are six countries against?

PROF. VLADIMIR GLIGOROV, PhD

RESEARCH ECONOMIST, THE VIENNA INSTITUTE FOR INTERNATIONAL ECONOMIC STUDIES

No, they are not against, the five of them; they are not against their mutual recognition. The very existence of these five countries leads towards the process of which I am talking about. They are not against the idea of Serbia and Kosovo mutually recognising each other. They are against unilateral declaration of independence. That is the context of the EU strategy I am trying to describe. I am not evaluating it as good or bad, I also have other theories about this, but this is the prevailing position, as far as I can see. I don't see any dilemma about that. I doubt that these five countries are not aware of this fact, because otherwise it would be difficult to explain all the documents the European Union produces and everything they do. Therefore, in my opinion, that is their strategy. Whether it will change, it is beside the point. As far as I understand it, Kosovo is observed by the European Union as a problem which did not come into existence due to the actions of the European Union, but rather as a problem which the European Union has to resolve through the implementation of the only instrument the EU has under the circumstances, and that is integration. You have this instrument which offers integration, you have the problem which occurred the way it occurred and now you are trying to resolve the problem through the use of this instrument. At his moment, I would describe it like this – it is a process of normalization of technical negotiations, normalization of relationships, and then possibly accession, and before accession – mutual recognition. It is not clear what kind of recognition, but it is clear that there cannot be two members of a single organization which do not have communication between each other. That is simply not possible. Therefore, I believe that this strategy is quite clear. In terms of conditions, Mojmir can correct me if I am saying something

wrong, these conditions are practically clear. They do not change, and there can be no additional conditions which were not mentioned in Copenhagen, am I right? Thus, the problem is that people often fail to understand the meaning of the conditions set forth in Copenhagen. For instance, there were situations when certain countries, prospective members, were asked to adopt certain declarations, for example on minority rights, or even to change the Constitution in order to satisfy certain demands of the European Union. Therefore, the conditions set forth in Copenhagen are not entirely clear. They require significant institutional changes. Take a look by yourselves, Slovenia had first negotiated for the first treaty, they negotiated the European treaty with Italy, whereas Czech Republic negotiated with Germany. That is the type of relationship. But the conditions themselves are what they are. They cannot change, so to say, for each individual country. Of course, it partially depends on the ability of the country to negotiate. When it comes to Bosnia and Herzegovina, as far as I understand the politics of the European Union, it is as follows – you have to introduce adequate changes in the constitutional organization in order to be able to take over the responsibilities which go hand in hand with the membership in the European Union. Therefore, you don't have to appear one way or another, it is up to you to agree on the internal issues, but you have to be functional, i.e. when you negotiate with the European Union, you have to accept the responsibilities which, for example, are brought to you through the implementation of criteria or conditions set forth in Copenhagen, or any other conditions. Therefore, you have to be able to accept the responsibility of the membership in the European Union. That is, in my opinion, their position. Since there is no special incentive to speed up the process, it can last for as long as the involved parties desire. It is not even necessary for this process to finish with the accession to the European Union. That is the situation with Serbia and Kosovo; no one says that the process has to finish with accession. This is politics, what you are going to do...

When we think about Macedonia, they have this problem which usually encourages other countries to join the European Union. Because joining would allow you access to the solidarity of the European Union. Hence, there is no special reason why we should glorify this organization. Greece has used all the available means to enable the accession of Cyprus. As we all know, Greece was not willing to accept eastern European countries unless Cyprus becomes a member of the European Union. That is how Cyprus became a member of the European Union, with all of their problems, but that is a different topic. Greece may ask the European Union, just as it does ask regardless of who is happy about that in the EU, not to accept Macedonia as a member or not to make the next step until who knows what conditions are not met. That is the problem. We can evaluate the situation one way or another. We can think that the situation is good or not good, bad or not bad, that is all beside the point. But if you are a member of an organization, that is one of the advantages of being

a member, this integration, you have the possibility to use the organization in such circumstances, that is the solidarity principle. This principle works both well and... As far as the internal problems in this respect within the European Union are concerned, they are immense. The problem of potential secession in certain countries of the EU is not a minor problem at all. This issue might not be significant for Romania, Slovakia, etc., but there is a real problem in Spain. No one said that Spain has to continue to exist as a single country. This problem is also present in Great Britain, isn't it? These independence referendums will be held sooner or later, as far as I see, the European Union doesn't have the instruments to do anything. You cannot keep a country together if it is falling apart. That is also the case with Belgium. You cannot sustain something that is unsustainable. The European Union has only one instrument, and that is – we accept you to this community and offer you free market, i.e. common market, we offer all four freedoms, unified market, a platform for negotiations, we offer you the council and the opportunity to adopt directives and laws on that council which are in your interest and which you want to implement. And that is it. There are, indeed, certain compensations, transfers. By the way, the budget is not big. You don't get much. It is not much from the perspective of the European Union, but it is much from the perspective of the countries which receive such help. From the perspective of, let us say Poland, it is not little, whereas from the perspective of Bulgaria these transfers are not small at all. For them it is a significant amount. From the point of view of the European Union, the budget amounts to approximately one per cent of the gross domestic product of the European Union. That is very, very little.

And what about euroscepticism? It is only natural to notice certain problems with such Union if it generates instability. At this moment, the European Union does generate instability. It is perfectly normal for someone in Czech Republic to start thinking about it or in Germany which also has Euro, it is normal to have scepticism, especially when it comes to money. It is also quite normal for euroscepticism to grow in the Great Britain because there is no instrument which could be used for the stabilization of the financial system, and that is the essence of the problem. Therefore, I think it is only logical for euroscepticism to grow in Serbia and Croatia and in other places along with these other things. On the other hand, I also believe that euroscepticism in the Balkan area, and in other places as well, including Macedonia and Serbia, is a way to maintain the system of power, a system of political behaviour, and in the end, the system to keep certain people in power because they benefit the most out of it. For instance, when it comes to the ruling party in Macedonia which has the power for quite some time now and will continue to be in power for even longer, I don't see any interest on their side to do something special in order to join the European Union. From their perspective, this is the perfect situation. The country is falling apart, nothing works, unemployment rate is enormous, there is no employment. They are building monuments, now they have several

hundreds, if I understood well. It is a desperate situation, for me personally that is a shock, but from their perspective, everything works perfectly. As far as I can see, they will rule the country for another 150 years. Why would they even consider changing anything? Here the Greek intransigence actually comes in handy, doesn't it? Similarly, the people who rule Serbia essentially have little interest to do something special in order for Serbia to join the European Union. The situation is quite the same in Bosnia, as far as I can see. That is the situation. The European Union cannot do anything about it. They can only say: "You will be better when you join us, from the perspective of security, stability, etc." Whether this is true or not, it is up to you.

PROF. MOJMIR MRAK, PhD

FACULTY OF ECONOMICS, UNIVERSITY OF LJUBLJANA

Section 2 was supposed to be a discussion about the economy in action. And here we are *de facto* discussing the European Union only from the perspective of politics. If we are to return to the criteria determined in Copenhagen, the ones that Vlada mentioned, both political and economic, one thing is quite clear – negotiations cannot start until certain major political issues are resolved. What is the logic? The logic is – there would be sufficient time for economy during the negotiations. We would grant sufficient time, five years, seven years. But the sequence of events is quite clear. That is the conclusion that could be drawn and I believe that this is quite, quite clear in the region.

VLADIMIR ČUK

My name is Vladimir Čuk and I am visiting from America. I came here to familiarize myself with the ideas and the process of making proposals within the Foundation. I have listened to all the proposals you have given and what I want to know is this – how do you measure the efficiency of your work? Is there a score card, do you keep track how many of these proposals were actually accepted? Is there any system in your branch which is used to evaluate success?

PROF. DANICA POPOVIĆ, PhD

FACULTY OF ECONOMICS, UNIVERSITY OF BELGRADE

In the first section about the regions, unfortunately, the prevailing opinion is that the plan has failed because there are no internal forces which would guide the process. Therefore, there are no parties interested in regional cooperation within the region, and the pressure from outside the region is too weak to make any difference. Perhaps it is sad to reach such a conclusion on a XX anniversary, but that is the conclusion reached by the majority of attendees here. When it comes to the European Union, the conclusion is that we are even further away

from the EU than from the region, because all the parties stick to their vision and all are convinced that their vision is one hundred per cent accurate; this applies to me and to all the others and that is why the situation is quite sad. Perhaps it is so because we are in the middle of a crises and we are bitterer than we used to be. Perhaps the conclusion would be more positive in a couple of years.

FINAL WORD


BORIS VUKOBRAT

PRESIDENT AND FOUNDER OF THE PEACE AND CRISES MANAGEMENT
FOUNDATION

It is fortunate that I am a pessimist of the spirit, but an optimist of the will. Because, if we are to hear all that has been said the way it was said, and when we remind ourselves that we have tried to end a war 20 years ago and we have seen what happened after that, when we proposed to the European Union to prevent the worst case scenario and to protect us for which they lacked understanding, we are here 20 years later and we conclude what? Essentially we have reached the same conclusions. The question is – where is the mistake? It is certain that the European Union has some responsibility for everything that is going on in this region; however it is more than certain that we are all responsible for what is happening to us.

On the other hand, from Mr. Čuk I have heard a typical American approach to this conference – where are the indicators? I am not sure whether any one of us here could mathematically calculate the efficiency of these gatherings. But, believe me, when we collect the material and discussions and the contributions of all of you and publish it as we did in the past after all of our conferences, starting from the *Reviews*. If we are to take that alone as a result, it is my opinion that we have made a small, small step forward.

Once again, I wish to thank you all. Before most, to the authors of the *Reviews*, but also to all the participants of this conference for your attendance, participation, ideas, contributions and I say to all of you – farewell, until we meet again!



CONFERENCE
"THERE IS NO WAY TO PEACE,
PEACE IS THE WAY"

PHOTOGRAPHS



Aeroklub (Belgrade), 27 September 2012



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Mr. Boris Vukobrat



Mr. Boris Vukobrat



Cocktail, Hotel *Square Nine*, 27 September 2012
H.E.Mr. Toshio Tsunozaki, Ambassador of Japan to Serbia and Montenegro and Mr. Boris Vukobrat



Cocktail, Hotel *Square Nine*, 27 September 2012
Mr. Azem Vlasi, Prof. Dr. Vladimir Gligorov and Prof. Veselin Vukotić



Cocktail, Hotel *Square Nine*, 27 September 2012
H.E. Archbishop Orlando Antonini, Apostolic Nuncio and Mr. Boris Vukobrat



Cocktail, Hotel *Square Nine*, 27 September 2012
Academician Prof. Dr. Ljubiša Adamović, Prof. Dr. Ilija Vujačić and Academician Prof. Dr. Vojislav Stanovčić



Cocktail, Hotel *Square Nine*, 27 September 2012
Ambassador of Switzerland H.E. Mr. Erwin Helmut Hofer, Ambassador of Mexico H.E. Mrs. Mercedes F. Ruiz Zapata,
Mr. Boris Vukobrat, Mrs. Mirjana Prljević and Archbishop of Belgrade and Metropolitan H.E. Mons. Stanislav Hočevar



Cocktail, Hotel *Square Nine*, 27 September 2012
Mr. Ante Raos with his wife and Mr. Ranko Risojević

CONFERENCE AGENDA

THERE IS NO WAY TO PEACE, PEACE IS THE WAY

27 SEPTEMBER 2012, BELGRADE

08:45 PARTICIPANTS REGISTRATION

Aeroklub, Uzun Mirkova 4/II, Belgrade

Working languages are BHS (Bosnian/Croatian/Serbian) and English

09:00 CONFERENCE OPENING

Boris Vukobrat, welcome speech of the Foundation's President

Mirjana Prljević, introductory speech of the Foundation's Executive Director

09:15 I PART

REVIEWS 2012 ON THE PROPOSALS FOR A NEW COMMONWEALTH OF THE REPUBLICS OF EX-YUGOSLAVIA

Moderator: prof. dr Vladimir Gligorov

Panel 1 (Discussion on first four proposals)

Introduction by Mrs. Elisabeth Kopp, former Vice-President of the Swiss Confederation Democracy, Prof. Dr Vukasin Pavlovic, FPN Belgrade

Rule of Law, Prof. Dr Vojislav Stanovcic, SANU Academician

Protection of Ethnic Groups, Prof. Dr sc. Zarko Puhovski, Faculty of Philosophy, Zagreb

Prohibition of all Forms of Discrimination, Mag. Elizabeta Kitanovic, KEK, Brussels

10:45 COFFEE BREAK

11:15 Panel 2 (Discussion on next five proposals)

Decentralization and Regionalisation, Prof. Dr Ilija Vujacic, FPN Belgrade

Personal Freedoms, Prof. Zoran Pusic, CCHR Zagreb

Border Inviolability, Prof. Dr Zdravko Grebo, University of Sarajevo

Integration into Europe, Prof. Dr Mojmir Mrak, Faculty of Economics, Ljubljana

Market Economy, Prof. Dr Vladimir Gligorov, WIIW, Vienna

12:45 LUNCH

15:30 II PART

ECONOMY AT WORK

Moderator: Prof. Dr Danica Popović

Panel 1 Two Decades Behind Us (open discussion)

16:45 COFFEE BREAK

17:00 Panel 2 Two Decades Ahead Us (open discussion)

18:15 Closing Word by the Foundation's Representative

19:30 COCKTAIL

Hotel *Square Nine*, Studentski trg 9, Belgrade

LIST OF PARTICIPANTS

THERE IS NO WAY TO PEACE, PEACE IS THE WAY

27 SEPTEMBER 2012, BELGRADE

1. Boris VUKOBRAT
2. Dr. Vladimir GLIGOROV
3. Mirjana PRLJEVIĆ
3. Akademik Vojislav STANOVČIĆ
4. Prof. Dr. Mojmir MRAK
5. Dr. Žarko PUHOVSKI
6. Prof. Zoran PUSIĆ
7. Prof. Dr. Ilija VUJAČIĆ
8. Mrs. Elisabeth Kopp
9. Damjan JOVIĆ
10. Prof. Dr. Vukašin PAVLOVIĆ
11. Prof. Dr. Zdravko GREBO
12. Prof. Dr. VESELIN VUKOTIĆ
13. Dr. Ante RAOS
14. Ranko RISOJEVIĆ
15. Prof. Dr. Mihailo CRNOBRNJA
16. Azem VLLASI
17. Prof. Dr. Danica POPOVIĆ
18. Prof. Dr. Darko TANASKOVIĆ
19. Nebojša SPAIĆ
20. H.E. Slađana PRICA
21. Mag Elizabeta KITANOVIĆ
22. Prof. Dr. Predrag SIMIĆ
23. Zoran GRUBIŠIĆ
24. Sava ANĐELKOVIĆ
25. Natalija PRINČI
26. Dr. Mahmud BUŠATLIJA
27. Miladin KOVAČEVIĆ
28. Tahir HASANOVIĆ
29. Gordana SUŠA
30. Zoran STANOJEVIĆ
31. Mijat LAKIĆEVIĆ
32. Jérôme KELLE
33. Slavko VUKAJLOV
34. Vladimir ČUK

