Dear Reader,

This current issue of South-East Europe Review (SEER) – “Borderland: Albania, FYR Macedonia and Greece” is a unique attempt in the history of the journal. The issue is unique in many ways, starting with the way it came into being: Jens Becker, who is a member of the SEER Editorial Board, together with a film documentarist from Germany, Achim Engelberg, conducted a study trip across the region in the autumn of 2003. Their journey resulted in them writing some travel accounts, collecting their general impressions and reporting on their travel experiences from a perspective of a western observer, often with a literary interpretation, while some of their accounts also give a contextual overview of the complex set of problems the region faces. They have also interviewed several experts, administrative officials and aid workers, who give first-hand accounts of the difficulties of the situation in the ‘borderlands’ of the west Balkans. They also collected scientific analyses from authors in the region on specific country-related topics and cross-border issues.

The current issue is also unique in the sense of its literary form, as we have a wide variety of different pieces, from travel accounts and subjective impressions, through interviews to scientific, academic articles. We think the present issue will provide stimulating reading material for all those with an interest in the region.

Finally, the topic of the issue is also rather unique in the sense that this is a rather new approach to studying and analysing the region. Cross-border co-operation is, of course, a core topic of many publications and it is also one of the priorities of the Stability Pact initiative. The SEER has also previously devoted one issue to this subject. Nevertheless, the current ‘Borderland’ issue goes beyond this approach in the sense that it looks at the region in its entirety, from the historical, economic, social and ethnic points of view. As can be seen in some of the contributions in this edition, many of the problems of the region stem heavily from a long-rooted fear arising from the legacies of history, as well as from mutual distrust and suspicion that leads to barriers being erected, not overcome. That is why cross-border co-operation is of fundamental importance to the future development, growth and integration of the region. The very sensitive topics, including migration flows, the role of ethnic minorities and their historical roots and such policy options as are available are all dealt with openly from different angles. The controversial role of the international community is also well addressed, such as the handling of the European perspective on the region as a political tool.

We have to see clearly that the Kosovo-Albania-Macedonia region is probably the most unstable one in the Balkans, in which ethnic tensions are deeply rooted and conflicts have been suppressed, but not resolved, and where nation-building is still in its initial stage. Moreover, the relations of this region with EU-member Greece are also charged by historical mistrust and newly-emerging fears. In the current issue, we find very different interpretations of these complex relations seen from various angles but which also complement each other.
The general policy of the SEER – to provide the terrain for a variety of different, but progressive, views and put them up for open debate, with each author having the responsibility for the content of the articles – is more relevant to this issue than ever. It is nevertheless important to remind our readers at this point that the views of the authors and contributors are their own and are not necessarily shared by the Editors, the publication itself, nor indeed the organisations (the Hans-Böckler-Stiftung and the European Trade Union Institute) which jointly publish it.

Taking a closer look at the contributions themselves, Martin Baldwin-Edwards examines the reasons for emigration from the region according to three major categories and evaluates the European integration perspectives of the west Balkans after the Thessaloniki Summit. Meanwhile, Aldo Bumci gives a differentiated analysis on the importance of cross-border co-operation in the Prespa/Ohrid Euro-region, pointing to plenty of missed opportunities and to the chances that may yet emerge out of the perspective of the direction of current efforts. The article by John Phillips and Maria Panteri gives an account and evaluation of the EU’s integrated border management programmes in the region as a means of maintaining stable borders. Such programmes seek to reduce ‘bad traffic’ (crime, smuggling) while at the same time promoting ‘good traffic’ (facilitating the passage of trade and people). The article by two experts of the German technical assistance organisation (GTZ) provides an account of that organisation’s development and support programmes respectively to Albania and Macedonia, evaluating also the perspectives for integration into the EU of these countries.

The above cross-country reviews are followed by three-country specific blocks. Relating to Greece, we find a personally-toned interview by Achim Engelberg with the writer Petros Markaris on the controversial attitudes of Greece towards foreigners. This is followed by a further article from Martin Baldwin-Edwards examining the controversial aspects of Albanian emigration and the Greek labour market in historical perspective and also as a present-day social ambiguity. Greek immigration policy comes under critical scrutiny in this account.

Regarding Macedonia, we start with a literary travel account by Achim Engelberg on his arrival in Macedonia from Greece, following his path through the major cities and landscapes of the country. As a totally different approach, Peter H. Matthiesen gives an account of his views on European policy towards Macedonia, emphasising its failures and the risks brought by these to the stability of this young state. Natasha Gaber and Aneta Joveska, in their first article, describe the difficult process of the transformation of the political system in Macedonia while, in their second, they detail striking evidence as to how politics has been responsible for manipulating census results on the relative sizes of ethnic minority groups throughout the last century.

Regarding Albania, we again commence with a literary-tuned travelogue of a journey through Albania by Jens Becker and Achim Engelberg. This is followed by a systematic overview of the major milestones of the development of Albania and its legal system by Judith Knieper.

Finally some brief impressions, notes and book reviews follow. These include a dramatic account by Barbara von Glutz of the situation of women in Kosovo, where women’s emancipation is at odds with the strong traditions confining women’s role to
family life; Entela Stamati picks up the theme of political manipulation in southern Albania; and Bajrami Hysa argues for the further liberalisation and privatisation of the health sector in Albania

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Sustainable development and emigration: the contemporary Balkans and the European Union

In the years since 1989, about 15% of the population of the western Balkan countries has been involved in migration – some ten million people. Of these, five million have emigrated permanently and about three million are ‘waiting to see’, while 2.5 million returned to their homes in less than a year. In the case of Albania, some 20% has migrated; from Bosnia, the figure is 25% plus a further 25% who are displaced. Across Europe, there are now about one million nationals of FR Yugoslavia, living mainly in Germanic countries; around two million Turks; 600 000 Albanians in Greece and Italy; and probably another million from Croatia, Bosnia and FYR Macedonia combined.

The reasons for emigration from the region are many and varied, but there seem to be three major categories:

1. ethnic complexities and co-existence problems after the break-up of Yugoslavia. Thus, the ethnic majority is only 70% in many Balkan countries, while in Serbia and Bosnia it is much lower

2. economic factors: with collapsing economies throughout the 1990s, per capita incomes became very low, unemployment very high and emigration the only short-term solution. This was especially true for Albania, but there is still the potential from Serbia, Kosovo and Romania

3. political factors: notably, ‘ethnic cleansing’ in Bosnia and Kosovo.

These causes of mass emigration from the western Balkans are important, because they indicate the sort of people who have migrated. Significantly, the ‘brain drain’ critique of these emigrations is not so relevant, largely for the following reasons:

• they have involved many unskilled as well as skilled workers

• the costs of migration to neighbouring countries were low

• much of the migration was illegal and has unclear economic implications

• migrants actually support their home economies through remittances, which they could not do if they had remained unemployed in their home country.

Furthermore, given very high long-term unemployment rates in comparison with eastern Europe, the already-low participation rates could fall with a ‘discouraged
Thus, the emigration of skilled personnel can act as a mechanism to retain those skills and keep them available for future repatriation.

For all of these reasons, it is extremely difficult to apply in the Balkans the existing theoretical literature on migration and development, in which the focus has tended to be on semi-skilled migrations and high investment costs, whereas it is the middle class and the educated who migrate. There are varying migratory patterns and motivations across the Balkan region, also making it impossible to generalise. One theory, known as the ‘migration hump’, suggests that, as economic development proceeds, rather than reducing migratory outflows it will actually stimulate them. However, some analysts contend that, in the cases of Albania and Turkey, it would, in the medium term bring them out of the ‘migration band’ and reduce mass emigration. For other Balkan countries, on the other hand, it might increase emigration pressures: ‘aid in place of migration’ is not a serious option for much of the Balkan region, despite the imperative of the area’s economic development.

Globally, remittances are now thought to constitute an extremely important source of external funding, second only to foreign direct investment (FDI). Furthermore, this source of funding has doubled over the 1990s whilst official development assistance has been falling; it is a much more stable source of income than private flows and is expected to rise as the G7 economies recover. There is even evidence that remittances are counter-cyclical and used as insurance against economic ‘shocks’, since the arrangements of temporary economic migrants are intra-familial and designed to protect the family’s interests.

Migrants’ transfers worldwide are conservatively put at $70bn, but this figure is significantly under-stated and is thought to be more like $100bn, or 1.6% of GDP. In the Balkans, Albania is the country where it has the most impact. The figure for 2001 was $700m, as it was also for Croatia. From 1995-99, migrant remittances constituted some 16% of Albania’s GDP, while Turkey’s remittances were the fourth highest in the world. The latest available data show migrant remittances to Albania rather lower, at just over 12% of GDP for 2001 and 2002, and falling. However, this is pri-
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mainly a statistical consequence of sustained GDP growth throughout the region, but especially in Albania.12

Thus, migrant remittances are starting to emerge as a new possible strategy for economic development, despite the previous negative perceptions of development economists. The primary point of criticism used to be the actual usage of remittances in that much was spent on consumption; another negative critique is the well-known ‘brain drain’ phenomenon. However, consumption is itself an economic stimulant and too much emphasis should not be placed on this sole aspect. Essentially, economic development depends on:

An optimal combination of FDI, trade liberalization, aid, remittances, return migration, and improved governance’.13

The European Union’s relations with south-east Europe

Throughout the 1990s, western Balkan countries were highly dependent on foreign aid, with high trade deficits, very low savings rates and very high unemployment. EU assistance between 1990 and 1999 amounted to some €9bn, while official development assistance was over $13bn: this has led to the analysis of ‘aid-dependency’ as a significant problem of the region.14 Around 50% of EU aid has gone into consumption whereas the European Investment Bank, until 1998, loaned money only to Albania.

After 1999, the EU has undertaken some significant reforms in the western Balkans as part of the Stabilisation and Association Process; these include, inter alia, generous trade preferences, contractual relations through formal agreements with the EU and the CARDS programme of financial assistance. However, the Stability Pact has focused especially on border controls (for example, in Albania and Bosnia), general legal frameworks, the creation of non-military border guards, etc. Essentially, this emphasis reflects the self-interest of the EU in dealing with Balkans countries as transit ones, with a policy focus on trafficking and the smuggling of migrants into the EU; it has had little relevance to economic or political development. All serious reports seem to claim considerable success in grappling with Balkan border problems. ICMPD reports major declines in illegal migration, as does Europol;15 the Italy/Albania border co-operation has almost entirely stopped illegal border arrivals; and many

12 ibid., pp. 7-9.
13 Olesen, op. cit., p. 141.
structural reforms are underway, eg FYROM/Albania, Kosovo, Serbia, Bosnia, Croatia/Bosnia and Croatia/Slovenia.

Yet, almost nothing is underway in the sense of real economic development. The EU has constructed a system of 21 bilateral free trade agreements, which do not actually constitute a free trade zone because of the issue of different certificates of origin. Furthermore, the 2004 enlargement is expected to have a serious negative impact on the south-east Europe region, including:

- negative trade effects (owing to the lower competitiveness of agriculture)
- reduced FDI (the increased FDI into the western Balkans since 2000 has begun to decline for FYROM and Albania\(^\text{17}\) and the new members and candidate members are now more attractive)
- declining EU aid
- new visa restrictions to be imposed on the non-acceding countries.\(^\text{18}\)

This latter point is of some interest, owing to a 2003 meeting in Ohrid, FYR of Macedonia, where NATO, OSCE and the EU emphasised the need to tighten Balkan borders. The EU Commissioner responsible for the Balkans mentioned the idea of opening the border to the legal movement of people and goods but no practical measures were agreed; rather, the emphasis of NATO and the Stability Pact remained exclusively on yet further measures for better border controls.\(^\text{19}\)

### The Thessaloniki Summit, 2003

The Greek Presidency, which had set the western Balkans as a priority area, was massively overshadowed by the war in Iraq and the political fallout from it within the EU. However, limited progress was made, in particular a small increase in funding of €200m; however, two previously widely-advocated ideas were dropped in Thessaloniki: to transfer the Stabilisation and Accession Process and the western Balkans from DG External Relations to DG Enlargement; and to provide additional funding for social and economic cohesion in the region.\(^\text{20}\) Thus, the emphasis on stabilisation policies under the Stabilisation and Accession Process as the framework for relations with the EU sets apart even a strong candidate country such as Croatia from the status of Romania and Bulgaria. For the latter, there was an initiative protecting them from the possible negative effects (such as reduced FDI) of delayed accession. This consists of a ‘roadmap’ linking achievement of well-defined benchmarks of reform with phased increases in assistance – an additional 40% by 2006.\(^\text{21}\) Thus, in trying to limit the di-vide between future accession countries and the acceding ones, the EU has actually

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17 European Commission, op. cit., pp. 11-22.
18 Uvalic, op. cit.
increased the funding and status gap between the western Balkans and the other EU candidate countries. This, as noted above, is likely to have a deleterious effect on FDI in the region.

On a slightly more positive note, the inclusion of visa regimes and a customs union within the Stabilisation and Accession Process is helpful, along with acquis-tuned financial assistance (CARDS and the Stabilisation and Accession Process) and access to TAIEX (technical assistance).

**Migration and economic development**

What of the role of emigration in economic development? This has been central to Albania’s economic growth and avoidance of large-scale debt but it can be developed further. Firstly, the migrant per capita remittances are extremely low for Albania and Croatia, presumably through migrants’ weak (and often illegal) positions in European labour markets. For economic development, it has been suggested that both receiving and sending countries need to re-think their approach to migrants: thus, the host country should try to integrate its immigrant population so that they have higher incomes and are more capable of investing in their country of origin. Developing countries, on the other hand, have to see their emigrants as a source of capital – people with a real knowledge of the culture and laws, and able to stimulate economic growth.

Secondly, some Balkan migrants may have migrated permanently but others may well not wish to do so. However, the rigid border controls imposed by the EU have tended to accentuate and encourage permanent (even illegal) migrants whereas, at the regional level, the idea of circular migration is extremely relevant. Thus, the visa control and border system of Schengen is a direct impediment to regional economic development in the Balkans: even the Greek Presidency idea of a visa-free zone (which was never taken seriously) was not a complete solution. Evidence from the Bulgaria/Greece border shows that border crossing actually became more problematic when the visa requirement was removed, owing to the discretionary powers granted to border guards and their arbitrary use of them.

Finally, it should be emphasised that real innovation in managing emigration and return migration will be imperative for Balkan countries. Each country will need to develop its own balance amongst: utilising migrant remittances; encouraging FDI by emigrant communities; facilitating an appropriate return of some skilled migrants to

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22 Gammeltoft, op. cit.
26 Formal complaint submitted to EUMC, Austria against Greece (dated 29/4/2003); personal interview with NGO on Bulgarian immigrants, Athens, December 2002.
the domestic economy; and developing the structural possibility of easy circular migration. International agencies, and not only the EU, have a clear role to play in helping national policy-makers provide the good governance which can optimise these valuable resources of human capital.