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Just as with the authors, the reviewers of the texts in this collection belong to or have belonged to these two worlds - the world of scientific-academic research and the world of decision-making - since they are not only regionally renowned and recognized professors and experts in the field of international relations, but also people who have held various senior positions in government, diplomacy and scientific institutions. Finally, the editors of this collection, in aiming to achieve the difficult and demanding obligation to meet the standards achieved by authors and reviewers, have given their all in order to give this collection the best possible appearance and structure, not just because the collection is the first official publication of the Forum for Strategic Studies (FORST) of the Institute of Social Sciences.

STRATEGIC STREAMS 2019: EUROPEAN ELECTIONS AND THE FUTURE OF EUROPE

edited volumes

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EDITORS

Dr Neven Cvetičanin
Dr Andrei Radulescu
Prof. Dr Jovo Ateljević



The Forum for Strategic Studies (FORST) is a research group established during the winter term of the 2018/2019 academic year within the Institute of Social Sciences in Belgrade, with the intention of becoming a regional center for research in the fields of strategic studies, international relations, geopolitics, security and diplomacy. The Forum for Strategic Studies brings together scientists and researchers from the Institute of Social Sciences, as well as external associates from state institutions of the Republic of Serbia and other academic and scientific institutions from Europe and around the world, with the aim of scientifically anticipating future events and strategic streams, in order to form credible public policies based on science-based predictions within Serbia.

The Forum for Strategic Studies also represents a public platform for dialogue on strategic issues within and between different aspects of Serbian society, as well as a platform for dialogue between science, diplomacy, public policies and decision making in the fields of strategic studies, geopolitics and international relations.

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Foreword

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To date, in just over a year of its work, the Forum for Strategic Studies has organized several major conferences, with guests, officials, analysts, scientists and professors of the highest rank (from the Minister of Foreign Affairs, through ambassadors of lead-

ing nations, to renowned experts, scientists and professors from Europe and across the globe), as well as a number of smaller panels with equally distinguished guests. The conferences *The World in Turmoil and the Future of Europe and the Balkans* and *Strategic Streams 2019: Elections for the European Parliament and the Future of Europe* are of particular note, serving as a template for preparation of this collection of papers. This publication has collected the works of a number of participants in the aforementioned conferences who discussed the future of Europe - the common topic of both conferences, this collection, and much of the research we undertake within the Forum for Strategic Studies. The future of Europe in the context of the geopolitical dynamics of the 21st century is actually a major - umbrella topic, toward which the Forum for Strategic Studies intends to focus its efforts, with the plan being to organize an annual conference (followed by thematic collection of papers) called *Strategic Streams*, which would discuss a key strategic event that affects the fate of Europe in a given year. The key event of the last year, 2019, in this respect, was undoubtedly the race for the European Parliament, that is, the pan-European elections that resulted in the formation of the current European Commission, to which we specifically dedicated the conference, from whose conclusions we have now created this collection of papers. However, this collection is not exclusively dedicated to the conference, as it contains works by a number of authors from the area of European politics and research not in attendance, but who have much to say about the topic.

The authors of the works that are part of this collection can be divided into several groups. The first is a group of purely academic researchers, including Asia Jane Leigh, Marijana Maksimović, Nada Novaković and Mirjana Dokmanović. The second group includes academic researchers who also act as engaged intellectuals and publicly known analysts of social phenomena, such as Slobodan Zečević and Gordana Gasmi. The third group includes academic researchers with specific experience of serving within different political and economic institutions and who can therefore be seen as belonging to the two worlds - the world of scientific-academic research and the world of decision-making, such as Roberto Rampi (Member of the Italian Senate), Andrija Pejović (Former Ambassa-

dor to the EU and Minister in the Government of Montenegro), Andrei Radulescu (Chief Macroeconomist at the Romanian Bank of Transylvania) and Neven Cvetićanin (Former Member of the Serbian Parliament and current President of the Forum for Strategic Studies). The above-mentioned different groups co-authored some of the papers in this collection, whereby the papers that they have jointly contributed achieve a positive synergy of the different aspirations and activities of their authors, from the purely academic to practical and applied fields.

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Dr Neven Cvetićanin
President of Forum for Strategic Studies
of Institute of Social Sciences

SLOBODAN ZEČEVIĆ
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“Unexpected” Results of the 2019 European Parliamentary Elections

Abstract

The European Parliamentary elections were held in the context of the crisis of the European Union's institutional system, which lacked the capacity to meet the challenges of the migrant crisis and the economic expectations of citizens. The pro-European ruling parties have suppressed the progress of the Eurosceptics and national parties, but have lost an absolute majority in the European Parliament. For the first time since 1979, the EPP and Social Democrats do not have an absolute majority and was forced to form coalitions with other with liberals from “Renew Europe.” That created major consequences in the process of nomination of the President of European Parliament and the European Commission.

Keywords: Elections, European Parliament, European Political Parties, President of the European Parliament, President of the Commission, Spitzenkandidaten.

Introduction

■ The European Parliamentary elections were held in the context of the crisis of the European Union's institutional system, which lacked the capacity to meet the challenges of the migrant crisis and the economic expectations of citizens. The European Union did not have an effective mechanism to protect the territory from immigration, nor an adequate federal budget and redistribution system from rich to poor Member States. In a crisis environment, a radical change in the Assembly majority have been expected by some press analysts.¹ However, this did not happen but there was a redistribution of power between the European People's Parties, the Social Democrats and the Liberals assembled in the new Renew Europe parliamentary group. This tripartite division has an

¹ Vincent Georis, *Une vague populiste menace l'Europe*, <https://www.lecho.be>, 17.05.2019.; Ollivier Talles, *La vague nationale-populiste n'a pas eu lieu*, <https://www.lacroix.com>, 27.05.2019.

impact on the appointments of senior EU officials and decision making. The radical right has strengthened its position in the European Parliament but without the possibility of assuming power.

How did the European Union react to the crisis? It could be said, first of all, by the mass going out of its citizens to the parliamentary elections, which show their interest in the European future. This denied the claim that the European Union was an alienated and bureaucratic creation without a stronghold in the people. However, citizens clearly want a different Union, which protects them more. More efficient Union how contributes to economic development and prosperity. The question remains whether the new European Union institutions in process of formation and governments of its Member States will find solutions to meet contemporary challenges?

High level of participation on European parliamentary elections 2019

Despite the rise of the European Parliament's competences, especially in the legislative sphere, voter participation in the European Parliamentary elections since 1979, or since the first direct election of MPs, has been steadily declining reaching 42% in 2014.² Started on this fact, there were opinions that there is a democratic deficit in the European Union, and the last one have not democratic foundations. However, objectively, every EU institution participating in the decision-making process has democratic legitimacy. Namely, MEPs are elected directly by the citizens of the Member States. Ministers who are democratically elected to this function in their respective countries are meeting in the Council, as is the case with the Heads of State or Government of the Union member states assembled at the European Council. The European Union is governed by the highest standards in the world in terms of respect of Human rights and freedom of expression.

The teases about of deficiency of democracy have been refuted by the fact that turnout in the 2019 European Parliament elections was for the 27 Member States, with the exception of the

² 01.08.2019., <https://frstatista.com>

UK, around 51 per cent.³ This is the largest voter turnout in the European elections in the last 20 years. In France, for example, participation was up about 9 points over 2014 and corresponded to turnout in the 2017 national parliamentary elections. In Germany, 61 per cent of voters went to the polls, in Italy 54 per cent in Spain 64 per cent, in Poland 46 per cent and in Romania 51 per cent.⁴

Political groups of the European People's Parties and Socialists and Social Democrats lose an absolute majority in the European Parliament and that fact created tripartite power

The pro-European ruling parties have suppressed the progress of the Eurosceptic and national parties, but have lost an absolute majority in the European Parliament. The European People's Party Group (EPP) won 182 seats, up from 216 in the 2014-2016 election, while the Social Democrats dropped from 185 to 154 seats. For the first time since 1979, these two political formations do not have an absolute majority and was forced to form coalitions with other parties, most likely with Renew Europe, the former Liberal Alliance (108 seats) and eventually with the Greens MP (74). Thus, the election of the President of the European Parliament, the Commission and his important positions (the Vice-President of the Commission and the High Representative for Foreign and Security Policy) depended on the approval of 3 or 4 formations. On the other hand, even if the Social Democrats, the Liberals, the Greens and the left-wing caucuses united, they would lack a dozen seats for the absolute majority. Much more realistic was the coalition of People's Parties, Social Democrats, and "Renew Europe".

In this regard, one should look at the stiff stance of French President Emmanuel Macron, whose party the Republic on the move has strengthened the group of liberals in the European Parliament, in the context of choosing a candidate for the president of the Commission. Macron, refused to accept the election of German

³ *Elections europeennes 2019: taux de participation en hausse, a plus de 50%*, www.lemonde.fr, 27.05.2019.

⁴ *Europeennes 2019: Taux de participation par pays*, www.touteurope.eu, 29.05.2019.

Manfred Weber as the “spitzenkandidaten,” the first on the list of European People’s Parties dominated by the German Christian Democrats from the CDU and CSU. The rule on the election of the leader of coalition with absolute-majority in the European Parliament to the post of President of the Commission, imposed by the European Parliament in 2014, could not be implemented in this case.

Even after the formation of a new Commission, the consent of at least 3 parliamentary clubs will be required to majors appointments, for adopt legislative acts or resolutions in the European Parliament. Thus, the dispersion of votes will force MPs to delicate arrangements and coalitions, and perhaps coalitions on a case-by-case basis.

The consequences of tripartite power

The election of the president of European Parliament

The election of the President of the European Parliament was the first test for the formation of future coalitions and the appointment of heads of other institutions of the European Union. The president is elected for 2.5 years, respectively for a half of legislation.⁵ Since 1979, the representative of the European People’s Parties and the Social Democrats have been replaced for half a term in this position as two of the strongest political parties in Europe. Thus, on January 17, 2017, Antonio Tajani of the People’s Party replaced Social Democrat Martin Schulz. Considering that the two groups lost an absolute majority, the question was asked whether a third solution would be required, such as the election of a candidate belonging to the Renew Europe parliamentary group?

The nomination requires the support of one parliamentary group or 38 MPs. Elections are held in four rounds until one candidate receives an absolute majority of MPs.⁶ In the fourth round there is a choice between two best placed candidates from the third round.

⁵ Guy Isaac, Marc Blanquet, *Droit general de L’Union europeenne*, Sirey, 10 edition, Paris, 2012, p. 161.; Denis Simon, *Le systeme juridique communautaire*, PUF, 3 edition, Paris, 2001., p. 223.

⁶ Guy Isaac, Marc Blanquet, *Droit general de L’Union europeenne*, Sirey, 10 edition, Paris, 2012, p. 161.

On 3 July 2019, David Sassoli was elected as the President of the European Parliament. Sassoli is a member of the Democratic Party, which is part of the Social Democratic Parliamentary Club in the European Parliament. Sassoli, therefore, succeeded in this fiction also the Italian Antonio Tajani politician in close relations with Silvio Berlusconi of the group of the European People's Party.⁷ Sassoli was elected in the second ballot, receiving 345 votes from MEPs. The choice of Sassoli reflects the process of achieving the so-called European compromises on the appointment of the heads of the institutions of the European Union. It is a matter for Italy, as a large Member State, to retain one of its leading European functions, bearing in mind the departure of Mario Draghi as Governor of the European Central Bank and Federica Mogherini as Vice-President of the Commission and High Representative for Foreign Affairs and security policy. Sassoli is Italian, but does not belong to the Eurosceptic far-right MP of the former deputy prime minister and influential factor in the Italian political scene, Matteo Salvini. This avoids the danger of an adversary of European integration taking the lead of one of the important institutions of the Union. Perhaps more importantly, supporting Sassoli as a Social Democrat has virtually opened up the possibility for the European People's Parties to obtain the position of the President of the European Commission.

By the way, political scientist Sassoli has been a MEP since 2009, and before that he was the star of Italian state television RAI as head of the evening newspaper and co-chair of public service. After a brief trip to national politics in 2014 in an attempt to run for mayor of Rome, he returns to engagement in the European Parliament.

The election of the president of the Commission

The President of the Commission is elected by the European Parliament on the proposal of the European Council as a kind of collective head of state. The European Council shall determine the candidate for President of the Commission by a qualified majority, taking into account the results of the elections for the European Parlia-

⁷ *L'Italien David Sassoli élu président du Parlement européen*, www.lemonde.fr, 01.08.2019.

ment.⁸ After the 2014 European Parliament elections, the deputies of the two strongest party groups, the European People's Party and the Social Democrats, succeeded in imposing on the European Council the nomination of the head of list of the political party that received the most votes in parliamentary elections, or the highest number of seats in the European Parliament. Thus, in 2014, Jean-Claude Juncker was elected the President of the Commission as the head of the list of European People's Parties. The election of a candidate for president of the Commission was considered a democratic achievement, as party-list holders participated in the campaign by presenting political programs at public hearings and rallies and crossing their spears in television debates. Overall, they were considered to have the democratic legitimacy of being nominated as Commission President.

* Abandoning the election of "Spitzenkandidaten" on the head of the Commission

However, in the 2019 elections to the European Parliament, the European People's Party's and the Social Democrats did not get an absolute majority, so it was harder to them to impose to the European Council their "Spitzenkandidaten" for the president of Commission. The two groups were forced to negotiate with the Liberals and the Greens on this issue. French President Emmanuel Macron as a member of the European Council was opponent of the initiative of German Chancellor Angela Merkel to make Manfred Weber the leader of the list of People's Party who received the most seats, or a relative majority with the Social Democrats, as a natural candidate for the President of the Commission. The Macron party, the "Republic on the move," has, with a very good election result in France, strengthened the "Alliance of Liberal Democrats" and even changed its name to "Renew Europe." The French MEPs wanted to avoid using the word "liberalism" in the name of a parliamentary club that they considered unpopular among European citizens.⁹ Therefore, this caucus has played an important role in the election of the President of the Commission.

⁸ Article 17 of the Treaty on European Union.

⁹ *Le groupe ALDE baptise "Renew Europe"*, [https:// www.auroactiv.fr](https://www.auroactiv.fr), 13.06.2019.

Emanuel Macron was opposed of Manfred Weber's election to the post of chairman of the Commission for several reasons. First, he felt that the latter have not sufficient political weight because he did not hold an important national or European function and he belongs to a relatively small party such as the Bavarian branch of the German "Christian Democrats - CSU." More importantly, Manfred Weber, advocating the views of the "CDU / CSU" German coalition, mined Macron's initiative to elect one part of MEP in the European Union as one constituency on transnational lists. In technical terms, the French president wanted European citizens to virtually vote on two ballots. One would reflect the election of a national contingent of MEPs. The second would be lists of European parties with a prominent first in the list (*spitzenkandidaten*), which means that a part of MEPs would be elected on the basis of the order of transnational lists in the European Union as one constituency. Macron's key argument for rejecting the nomination of a head of the lists for the presidency of the Commission was that they were not at the head of the transnational list, which was voted by the majority of all European citizens. In fact they got the confidence only by voters in their country.¹⁰ Thus, the "*spitzenkandidaten*" had only national and not pan-European legitimacy. The French president drew the conclusion that, due to the lack of democratic legitimacy of the candidate, the authority to independently nominate a candidate for Commission President should go back to the European Council as otherwise provided for in the founding treaties, and it is up to the European Parliament to either confirm or reject this proposal.

Behind the return to classical institutionalism stood political interests. Macron was bothered by the dominance of the European People's Parties in nominating the Commission presidential candidates because they were virtually run by German Christian Democrats as their strongest component. On the other hand, this is precisely the reason why German Chancellor Angela Merkel did not even accept Macron's initiative on transnational lists. In the end, Weber's flaw in the eyes of the French president was that he did not speak French.

¹⁰ Jean Quatremer, "*Commission européenne: Emmanuel Macron se débarrasse des Spitzenkandidaten*", <https://www.liberation.fr>, 21.06.2019.

Within the European Council, Macron succeeded to get confidence of eight Liberal prime ministers and heads of state, lobbying for another 5 Social Democratic leaders of member states, and especially advocate with Pedro Sanchez, the then prime minister of Spain, against Weber's candidacy.¹¹ Considering the candidate for President of the Commission is determined by a qualified majority, it is clear that Macron had a "blocking minority" in the European Council that would have prevented the decision to propose Weber to the post.

***The election of Ursula von der Leyen
as candidate for President of the Commission***

It was rumoured that Macron could endorse Margaret Margrethe Vestager as the first on the Liberal list, or Michel Barnier of France as a compromise solution. In the game for the President of the Commission was also the first on the list of the Social Democrats Dutch Frans Timmermans who achieved a surprisingly good result in the elections for the European Parliament in his country. At one point, it seemed that in the name of peace in the European house, Angela Merkel had stepped down of the post of Commission President and that a compromise had been made with Macron to have Timmermans as Commission President. However, there was a rebellion within the People's Party caucus against Angela Merkel and the intention to cede the seat of the Commission to the Social Democrats.¹²

The election of Social Democrat Sassoli as President of the European Parliament has opened the door for President Macron to realize his ideas about the profile of the candidate for President of the Commission. It was supposed it had to be someone from the People's Parties because it won the most seats in the European Parliament, who is a moderate right-

¹¹ *Nominaton a la tete de l'UE: tactatiosn et lutte de pouvoir au sommet*, <https://www.lepoint.fr>, 28.05.2019.

¹² Alexandra Brzozowski, Georgi Gotev, Jorge Valero, *Les chefs d'Etat empetres dans la nomination des postes cles de l'Europe*, <https://www.euroactiv.fr>, 01.07.2019.

handler with pro-European orientation and who also speaks French. In order to calm German anger after rejecting Weber's candidacy, it was desirable to have a German candidate, and even better, to be female in order to meet the criteria of gender equality. Macron therefore suggested to Angela Merkel that the European Council propose Ursula von der Leyen the German Minister of defence, with whom he had close political views.¹³ Born and raised in Belgium, von der Leyen speaks French and is a moderate conservative of the pro-European orientation. The former German defence minister, together with Macron, fought for a joint European weapons program, most notably the creation of a European fighter jet.¹⁴ Von der Leyen supports Macron's environmental program for combating carbon emissions, as well as the request for redistribution of asylum seekers by Member State. With regard to Britain's exit from the European Union, von der Leyen believes, as does Macron, that the Brexit agreement reached is the best solution and there is no need for the new negotiations on the subject, but she was in for another postponement of the UK's exit from the European Union.

At the beginning of July 2019, the European Council proposed Ursula von der Leyen as a candidate for the Commission President.¹⁵ This decision has caused unease in the European Parliament because it's abandoned the election of "spitzenkandidaten" on this post, and that was considered as a democratic achievement. Specifically, the question was how could somebody who did not led a single electoral list or participate in the European Parliament elections be elected to the head of the Commission? For this reason, it was very important for von der Leyen to present his program to MEPs in order to gain the confidence to form the Commission. In order to support the democratization process of the European Union institutions, Fon

¹³ *A la Commission europeenne Macron propose Ursula Von der Leyen la ministre Allemande*, <https://www.huffingtonpost.fr>, 02.07.2019.

¹⁴ Jean Baptiste Francois, *Emmanule Macron et Ursula Von der Leyen un tandem pour l'Europe?*, <https://www.la-croix.com>, 23.07.2019.

¹⁵ *L'Allemande Ursula Fon der Leyen élu presidente de la Commission européenne, de justesse*, <https://www.lemonde.fr>, 16.07.2019.

der Leyen announced the improvement of the “spitzenkandidaten” system. In the program part of the presentation she emphasized the following.¹⁶

The new Commission’s program envisages that Europe should become the first continent with a carbon-neutral balance by 2050, which means reducing CO2 emissions by 55 percent by 2030. In the area of economic integration, von der Leyen intends to establish an embryo of the Eurozone budget, as advocated by President Macron, as well as to complete a program of establishing a Banking Union to guarantee bank deposits to all European citizens. Von Der Leyen will initiate a plan under which all European citizens would be entitled to a minimum wage on the basis of previous adopted European legal instrument. The Commission Presidential candidate also advocates the introduction of gender quotas on the boards of directors of companies. In the area of migration policy, the Commission would propose a “new immigration and asylum pact” to assist Italy and Spain, which are the first to be hit by immigration. In addition, von der Leyen envisages strengthening the Frontex agency tasked with protecting European borders, by employing 10,000 more staff in 2024 instead of 2027. In the area of the protection of democratic principles, the President-designate of the Commission supports a project that would link the disbursement of financial assistance from European Union funds with respect of the principles of the rule of law and European Union principles and values. In this regard, the European Union would cut off assistance to members who threaten the independence of the judiciary, as in Poland and Hungary. Fon der Leyen also supports the introduction of the right to a legislative initiative of the European Parliament, which at this point is the exclusive responsibility of the Commission. As for Brexit, the future President of the Commission would accept the postponement of Brexit after October 31, 2019, if the British had given good reasons. In addition, she advocates the opening of accession negotiations with Albania and Northern Macedonia.

¹⁶ *Six questions sur l’élection incertaine de Ursula Von der Leyen a la tête de la Commission européenne*, <https://www.franctvinfo.fr>, 16.07.2019.

Ursula von der Leyen did not have the easy task of recruiting MEPs for her candidacy. This required the support of the absolute majority of the Members of the European Parliament, ie. 376 of them expressed by secret ballot. It has already been mentioned that her candidacy has not received a warm reception in the European political parties, since it has called into question the democratization of the European Union's institutional system, or the "spitzenkandidaten" system. Still, von der-Leyen managed to get a tight 383 votes in favour of making her the first female presidential candidate in the history of the European Union.¹⁷

The political dispute about the election of Commission member's

At the proposal of the Member States and in agreement with the previous elected President of the Commission, the Council, acting by a qualified majority, shall determine the list of candidates for Commissioners.¹⁸ However, the expertise of candidates for Commissioners is checked before by the committees of the European Parliament.¹⁹ If some of them do not meet expectations, the President of the Commission must ask the Member State to nominate another candidate for the Commissioner, otherwise the European Parliament will not vote confidence to whole Commission.

The tripartite power and political fight could cause certain problems in the process of nomination of the Commissioners. Thus the European Parliament Legal Affairs Committee rejected the candidacy of Hungarian Laszlo Trocsanyi close to Hungarian Prime Minister Victor Orban for membership in the Commission.²⁰ The official reason was the conflict of interest.

¹⁷ *L'Allemande Ursula Fon der Leyen elu presidente de la Commission européenne, de justesse*, <https://www.lemonde.fr>, 16.07.2019.

¹⁸ Član 17 stav 7 ugovora o Evropskoj uniji

¹⁹ Slobodan Zečević, *Institucionalni sistem i pravo Evropske unije*, Institut za evropske studije, Beograd, 2015., str. 178 i dalje.

²⁰ Carmen Paun, *Von der Leyen seeks new recruits after Parliament tottedoes two*, 10.01.2019, <https://politico.eu>

There is a suspicion that behind that decision stand the political opposition to the Orban's immigration and judiciary politics by "Renew Europe" parliamentary group. In the same time Sylvie Goulard as candidate of French president Macron was also refused by the Parliament internal market and industry committees. Much of the criticism of Goulard was led by the European People's Party (EPP), and some MEPs suspect the center-right bloc wanted to exact revenge on Macron after he torpedoed EPP group leader Manfred Weber's campaign for the Commission presidency.²¹

Despite rising votes, Europe's right-wing Eurosceptic and populist parties failed to realise the announced victory

The opponents of the European Union remain a minority in the European Parliament, despite the good results achieved in individual EU Member States. This primarily refers to the League of Matteo Salvini with 33 percent, Brexit Nigel Farage with 31.7 percent or Marine Le Pen National Rally 23.4 percent of the vote. The Freedom Party of Austria, on the other hand, failed with 17% of the votes cast. Spain's Vox, with just over 6% of the votes cast, is entering the European Parliament for the first time. In the new European Parliament, the European Conservatives will have 62 seats and the Identity and Democracy group 73 seats.

Eurosceptics are convening 2014-2019 years were divided into three parliamentary groups and had different political views. The Conservative group where the Polish Party of Rights and Justice and the British Conservatives have settled are not for the close relations with Russia, which is what the Matteo Salvini group and Marine Le Pen stand for. Nigel Farage, as a major component of the former MEP's parliamentary club, intended to leave the European Union and therefore the European Parliament. So the question is what would be the common denominator of these three MPs. In essence, they only agree in

²¹ Maia de la Baume, Laura Kayali, *France's Commission pick Sylvie Goulard rejected by Parliament*, 10.10.2019., <https://politico.eu>

a critical attitude towards Brussels and the supranational institutions of the European Union. The principle of solidarity and the pursuit of common goals is alien to nationalists because their thinking is limited to national boundaries and interests. In fact, national selfishness prevents serious work on a common political program. After the 2019 parliamentary elections, the “Europe of Nations and Freedom” parliamentary group changed its name to “Identity and Democracy.” The basic components of this club remained the same. These include the Matteo Salvini League, the Marine Le Pen National Rally, the German AFD, the Austrian Freedom Party, the Belgian VlaamsBelang, the Right Finns, the Czech Freedom and Direct Democracy Party, the Danish People’s Party and the Estonian People’s Conservative Party. Substantial political differences remain within the new MP. Matteo Salvini is in favor of redistributing migrants to member states, which is opposed by the French National Rally and the German AFD. In the economic sphere, the AFD is a supporter of the liberal market economy while the National Rally is opting for a kind of national economic protectionism. The common programmatic basis of these parties is opposition to immigration and Islamism, as well as euroscepticism.

For some time, the question was whether Victor Orban’s Fidesz, which received more than 50 percent of the vote in Hungary, would remain in the European People’s Party parliamentary group or join in the future the Salvini and Marine Le Pen nations in Europe? However, even in that case the far right would not have a decisive influence in the European Parliament.

Conclusion

The elections to the European Parliament in May 2019 were marked by high turnout. This tendency is noticeable in almost all Member States, which speaks to the essential absence of a democratic deficit and to an increase in voters’ awareness of the importance of European elections. This trend was certainly influenced by developments around Brexit. Fearful of the European Union breaking at the seams and the traumatic con-

sequences that such a process leaves on national societies, it has awakened public opinion throughout the Union. On the other hand, a significant number of voters who still remained in the minority wanted to protest about the current situation by voting for the Eurosceptic and far right parties, that is, for radical changes in the European Union or for its abolition. In this election, the European People's Party and the Social Democrats lost an absolute majority in the European Parliament and failed to impose the head of the list of the leading party (spitzenkandidaten) for the President of the Commission.

The consent of at least 3 parliamentary clubs will be required to majors appointments, for adopt legislative acts or resolutions in the European Parliament. Thus, the dispersion of votes will force MPs to delicate arrangements and coalitions, and perhaps coalitions on a case-by-case basis.

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The Shadows of the National State and the European Identity

Abstract

What should we expect from the European Union in the next decade? This is the question future elections have to answer, and the question all European citizens should ask themselves. After the Brexit crisis, rivers of insecurity have flown across the whole continent, flooding our minds with doubts and hesitancy. Is the European Union still the best answer to strengthen policies inside our continent? We think the answer is yes, but changes are needed. What we need is a new, different and much deeply rooted European Union. But before even coming up with the actions or the path that the EU needs to take there are two concepts that we need to tackle and analyze. First of all, the concept of the national state. If we agree on the fact that the future of the European Union lies on what we like to describe as an intertwining dialogue between cultures, what can we say about the national state? In our analysis, we wanted to underline the artificial essence of the national state, created by men to stabilize their power. The national state carries an internalized concept of violence within itself. By creating borders, raising walls, we pinpoint Us and Them, setting the foundation for contrast (examples are given us by the two world wars that have devastated Europe in the 20th century). For a strong Europe, we need to unmask the national state's real destructive essence. Another fundamental concept is the identity, the concept that has to be adapted in accordance with nowadays cosmopolitanism, taking into account the fluidity of globalism. Only through this change of view, we can build a new face for our continent and the structure of a new European Union, according to the new needs of citizens.

Keywords: Future of Europe, National state, Perception of identity, Cosmopolitanism

We have lost our sense of community.

■ With these few words we could perhaps sum up the vast problem and great absence in our, modern, European Union. Problem that irrigates and flows, or perhaps more correctly begins, in the smaller context: our communities and social framework.

Our ways of acting and thinking in community have changed, we do no longer feel the place to take actions or even reactions, we do no longer perceive the social or community life as a duty. The political sphere is perceived as something out of our daily and common life, with way too high and too complex ambitions. Politics has become a bureaucracy and no longer a community matter or functional to the citizen's needs. This is where the change has to start.

In a decline of thought and political reason, we must find the strength to discover again the true meaning and aim of political philosophy and thought. We have the task of conceiving a new European *polis*.

'Philosophy is inspired by the *polis* and aspires to the *polis*. The political vocation finds its inclination in the *polis* and restores the community from its numbness.' (Di Cesare 2018: 29)

It is our duty to wake Europe up from its philosophical and political slumber, giving it again a sense of community and social cooperation. 'To hinder the annihilating trend of the night the philosopher denounces the night of politics and the sleep-walking of those who do not want to participate in the common life as the threat they represent' (Di Cesare 2018: 19-20)

We must confront our contemporary uncertainty and face the great philosophical-political problems of our time from a new perspective. We need to unmask and adopt in our views the political role of philosophy, taking the needed steps towards the creation of a new notion of our world, our sense of community and the role of political thought in it. Only through this passage can we tackle problems such as the current crisis of the European Union.

But what's the future of Europe? This is the question future elections will need to answer, and the question all European citizens should ask themselves.

After the Brexit crisis, rivers of insecurity have flown across the whole continent, flooding our minds with doubts and hesitancy. Our concepts of community, identity, and form of identification seem to be at stake with Europe that many feel imposed from above, but is it really?

What does it mean being European? When we speak about it, we often talk about states.

Far from considering our European Union to be a real union, a clear and stable entity, we often take refuge in what appears to be a more daily, common and convenient form of identification: the national state. We are Italians, Germans, French, not Europeans. We see our Europe as a network of subtle strings that connect one State to another, like the long roads and railways that ran all over it.

How do Europeans perceive Europe?

There are many views and some of them have common roots, but others are rather opposite. The first, perhaps the most widespread opinion, is the one we have briefly mentioned: the European Union as a network, a system, a cold and resolute mechanism that sees in Brussels its only pulsing heart – more of a clockwork mechanism than a true soul.

What we describe is a Europe of the Brain, not essentially a negative vision, like the nationalist one that we will soon analyze, but not even a positive one. Even before the birth of the European Union, before the European project had even taken shape or began, the ideals of unity and peace dwelling in the minds of those who would have later become the fathers of the European Union. They had very different plans for its creation. In a Europe destroyed by Nazism and Fascism, where every kind of humanity had seemed to disappear in a complete rejection of the Other, the European ideals spreading throughout all the continent, were not as cold and bleak as current perception of Europe. The Europe that had been dreamed by characters such as Altiero Spinelli and Jean Monnet, wasn't merely a Europe of bureaucracy or a Europe of markets - although this was an important and essential part of it, especially in the vision of the French politician and thinker Monnet - but it was a value, a common feeling, a deep desire for peace and a common identity.

Something deeper and far more rooted than today's view of the European Union.

Where has the heart of Europe disappeared? What has happened to those commonly shared values? Lately, they have been ousted by something very different. In the absence of the European heart, something else has been planted, burying its roots deep into a fertile and abundant soil: nationalism. Where the warmth and nostalgic feeling of European values and commonly shared ideals used to be, anger, instinct and gut feelings have emerged. In a Europe of Brain, perceived by most as "cold and calculating" perhaps we should not have been surprised when the average citizen, feeling abandoned and perhaps even snubbed, sought for his identity. And find it in something much smaller, nearer and perhaps, I would dare to say, more archaic: nationalism.

But where does nationalism come from? And if it prevails, will it mean, as many speculate – especially after the Brexit referendum - the end of the European project? To address this issue, perhaps we need to start with a previous passage: the national state.

This concept was born in Europe back in time when the idea of a single great European empire, heir of the Roman Empire started to be deemed impracticable. For centuries even a politically divided Europe had been a whole, let's just think about the art, the culture, the communion of values and markets Europe had in the Middle Ages or even afterwards during the Renaissance. Even if divided in empires and states, Europe had shared common history and trends, just like an archaic form of the cosmopolitan Europe we live in today. Painters as Leonardo Da Vinci worked in Italy as well as in France, poets and artists crossed countries and were welcomed by kings and lords all over the continent. Even older and extraordinary example is the one of the Roman and later Byzantine Empires also followed by the Holy Roman Empire. Let's just think about the extent and depth of the influence that different cultures had one on the other during this time, and how the perception of the European, in this case *Roman*, identity has changed with the passing by of centuries and millennia. This lasted till the Industrial Revolu-

tion took place, when the national state started to impose itself as the building unity for a new face of Europe.

From an extremely fragmented land, if not for the old and weakened empires, we arrive at the rise of the 18th century, following the great Restoration after the Napoleonic wars, in front of a map not so different from the one we look upon today.

But what happened at this time? What pushed the Europeans in the building of a new concept of Europe? Why people who shared common history and had been for centuries subjected to the same empires and royal families parted their ways and raised borders? As we know today, national states were born with the intent of seeking the union in a single territory of common and homogeneous cultural and ethnic entities, where citizens would have shared language, culture and values. In the aftershock of the Napoleonic conquest, with fragile new borders, unstable ruling classes and the pressing shadows of revolution, national states looked like the most logical and safest way to strengthen the ruling classes. But it is then, that the national state, born as an instrument of stabilization of Europe, began its journey towards destruction. Patriotism, which nourished the European states into greatness for almost all the 17th and 18th century, often weaving its path with romantic culture and literature, slowly began, with the rise of the new century, to turn into something very different. While the national sentiment was firstly addressed only towards one's motherland, in a sense of love, belonging and pride, "patriotism" was soon misguided and overturned in an opposite sense: hatred for the Other "nationalism". It was no longer what in Italy we know as *Amor di Patria* / Love of the motherland /, or about those virtues and freedoms brought by the unification of people, the Italian *Risorgimento* as a clear example. The 19th century has not been only the era of the birth of the national state, but also an era of liberation. Till then the movement of patriotism had been seen as collective, as something that would have liberated all Europe. It wasn't nation against nation or people against people, but the oppressed against the oppressor. It was deeply different from the national thought who would have soon brought Europe on its knees, but the seed was planted.

We all know what happened in the following century: a fratricidal war, which led not only to a severe loss of lives and wealth, but also to the destruction of the image that the rest of the world had of Europe. If Europe, the colonialist Europe, the Europe center of the world and pond of knowledge barely recovered from the First World War, it certainly didn't survive the Second World War. Europe came out from the war with very serious losses, but with an awareness: division and fragmentation could not function as political systems for our continent.

The nationalist thought, bitter offspring of the national state, but nevertheless contained in it, could not but bring Europe to its collapse. How and when does this change occur? When does nationalist thinking take that aggressive aftertaste and turn a political system into a radical way of thinking? It happens when the state does no longer identify itself with its inhabitants. When Germans are no longer used to indicate the inhabitants of Germany, but only the people of Germans origins. When the Jewish people, through this view, are no longer Germans, no longer part of Germany and become Others. This is the kind of violent ideology born within the concept of national state. When you draw a line, mark a border or raise a wall, define a here and a there you are essentially laying the foundations for discrimination and even more fear. 'Fear is in itself degrading, that easily becomes an obsession; it produces hatred for what is feared and pushes headlong into excesses of cruelty' as said philosopher Bertrand Russel (Padoan, 2018: 16). When you define an identity, who belongs to it and who doesn't, who does not belong to it is in the best case driven out, but more probably eliminated.

This kind of ideology seems to be coming back in practice as a response to a European policy which is deemed as too weak and too distant. The lack of power and sovereignty of the European Union is a problem that perhaps has persisted since its foundation, but why has nationalism rose in response to it only now? The answer is to be found in the crisis that has struck the European growth and economy in the recent years, when the widespread discomfort grew into a reluctance towards the European Union. In this moment of discomfort, when citizen

perceives instability and therefore a sense of fear, it had been easy for them to point their finger against the weak and distant power of the EU for which they do not feel excessive attachment. Instead the people of Europe have filled that lack of security, which the Union, due to its very structure has not been able to communicate, with nationalism.

Although this seems to be the easiest answer, as demonstrated by the wars that preceded the creation of the European Union, it is not a real solution. Returning to the national state without the intermediation of the Union is today not only inconvenient but perhaps even impossible. Those same problems which lead to the spreading of fear, and with that nationalism, and by whom we get bombarded every day through the media (global economic crisis, climate change, migrations, etc.) are extremely complex. These are problems with a wide and global reach - problems that Europe cannot address if not as a whole. This truth has been over and over demonstrated by what we nowadays call global risks. The consequences of climate change, catastrophes such as Chernobyl, new crimes regarding the use of networks and sale of information have more than once demonstrated that with globalization and technological evolution we have also globalized our problems and risks.

Everything is cosmopolitan, everything is globalized, even nationalism itself if we think about it. We have American nationalists, English nationalist, Italian nationalists and so on - the anti-globalization movement is itself globalized. We live in a world where any kind of regional doctrine needs to act on a global and cosmopolitan level to reach success. Even anti-Europeans have seats in the European parliament in effort to influence politics and decisions: this is the paradox of cosmopolitanism.

To tackle these new evolving problems, the European Union must change its ways - no longer acting as a network of different states but as an unified entity. Problems like climate change and migration as well as international politics decisions, need to be solid and unanimous, not fragmented or discordant. What difference can a decision for the environment taken in Germany make if it is not respected by the rest of Europe? How can we take concrete climate actions worldwide? What can a

statement of the President of the European Parliament towards a state that doesn't respect human rights weight, if his words are not followed by actions of the member states? These are questions only a new cosmopolitan and strong European Union can answer.

We need a new way to tackle these risks. A new way of perceiving them and responding with everyday action to resolve them. 'We can no longer limit ourselves to look at things from afar, shrugging our shoulders and pointing an accusing finger [in our case towards the European Union]. We are all involved in this massive undertaking of destruction one way or another. The time has come to think again with our heads and make choices (Dion, 2011). All of these are tangible evidence of how the national state and the nationalist's mindset have turned obsolete.

At the time the national state was born to guarantee stability and power to the ruling classes: an artificial creation and solution for what at the time seemed to be the most urgent problem. It's clear that this aim no longer subsists. If in the past centuries the passage to national state as a form of authority was essential for the maintenance of balance in the unstable re-settlement following the collapse of empires, today division and fragmentation do not represent an answer for our future.

The invention of national state had always dangerously rested on the assumption and on the idea that there was a place in the world where we could have defined within borders a cohesive cultural, religious and genetic identity. This however, as we know, is not a real possibility and never was.

History gave us many examples. Too many were the wars fought by minorities seeking independence or states trying to push minorities away or directly eliminate them. Let's just think about the Huguenots in France in the 16th century or the example closer to us and our memories - the Jewish holocaust in Hitler's Germany. Violence has always been held within the concept of the national state. By creating Us, raising borders, declaring restriction about who belongs and who doesn't, we create Them, an unknown entity whom we identify as different, as Other, and this generates fear.

Even nowadays many minorities are living inside national states, which they do not consider as their own. Let's think of all the violence that bloomed in those hotspots -Catalonia as a modern and clear example even in our days.

Violence has been embedded in the conception of the national state itself, since its very creation.

National states have brought Europe to a clash of identities, identities that for too long have acted as walls and borders, identifying Us and Them. Identities that have fragmented Europe and led towards a turmoil that not only brought us to the two wars, but that nowadays is putting at risk the European future, cooperation and growth.

We have to get over our common idea of identity, to overcome what we have always superficially perceived and find a new meaning for it. As national state reaches its decline so does our erroneous conception of identity. Globalization, cosmopolitanism and all their consequences brought us to a new world, a new Europe, and with new conceptions we couldn't even phantom before. Let's just think about the change the internet made in our lives, how connection and communication developed.

But it hasn't only changed how we live and what we do, speeding our actions and shortening distances, but it has also changed how we perceived our world and ourselves. We have to deal with a new concept of humanity, a new concept of Us, and according to this, we have to find not only a "new identity", but a new way of perceiving it.

We no longer live in a changing world, but in a world in metamorphosis. When we speak of change, we are describing a transition in an already existing scheme. What we are witnessing instead is a transition that evades any previous structure, undermining all our anchors. We live in a world where what yesterday was not only unrealizable, but not even imaginable, today is a reality. Inventions like the web have completely changed our concepts of communication, world and distances.

In a cosmopolitan world, everything is in constant change and interaction, even identity. We must go beyond the concept of people as entities and adopt a new perception. We aren't ob-

jects or entities, but rather something in continuous and constant development: a timed lap, measured in events, changes and variation. This is also visible in biological terms - let's just think about the development of an individual. It is not an object, but something constantly growing, developing and later ageing, a flow within which we nevertheless recognize the individual: this is our identity. We were ourselves as babies as we are now and as we will be in twenty years: even if all my biology has change and will change, I would still be owning my identity even in flowing and constant motion of my growth and ageing. This concept goes also for religion, culture, gender, sexuality and all the great arguments that tend to separate and fragment our times. When we accept ourselves as beings in change rather than constrict ourselves in already structured and limited entities-identities there will be no longer exclusion and with that fragmentation or division.

But how will this influence the future of the European continent?

Once we unmask the violent nature of the national state, realizing its inner organic brutality, and we overcome the concept of identity as a closed box, therefore leading to exclusion and further violence, we will have the chance for a new Europe. First of all, our change of view about the concept of our identity will change the concept of voters and politics from its base. 'People do not necessarily vote for their own interests. They vote according to their identity. They vote according to their values. They vote for the person they most identify with. It may happen that their values coincide with certain personal interest. [...] But they vote before all according to their identity.' (Lake-off 2014: 56)

The new Europe that we need to build will be neither State nor Nation, but something new. We do not specifically use these terms – State and Nation - for our new Europe. What we have to build is a European Union that will move along the new lines of cosmopolitanism and respond to this new concept of identity. The repercussions of this new approach to identity will not only develop a new perception of global issues; let's just think about the application of flowing identity to the mi-

gration problem - but will also bring us to the birth of a new different governance structure of the EU.

A structure that will meet the needs of the citizens, organizing itself into administrative units with the most suitable dimension in responding to the given needs. We need the European Union that is not made up of national states, but of functional structures. Each topic or problem has its size. It's not possible to solve the problems of individual citizens of a region about infrastructures with a large-scale administration in the same way it isn't possible to solve global crisis or tackle foreign policy issues on a limited national level.

Through this change of our concept of identity, we will have changes inherent to both; the psychological-personal sphere and the spiritual one. This will lead to consequences both within society and communities, creating new concepts of these same entities. We will also be faced with a new vision of modern and still opened debates regarding the rights concerning the concept of personal identity from the spiritual, religious one to sexual or gender identity.

The new image of the world and identity that we will build will also create a new way of perceiving violence towards these types of divisions. The new perception of identity will also change our relationship with the environment. Human identity as a transient event, like water that adapts to the shape of its container, will completely change our relationship with the environment in ways that would deserve deep reflection on topics such as sustainability. Ultimately this new vision will reflect on the structure and conception of state.

We will have to overcome 'politics anchored to traditional boundaries, unable to turn our gaze to the scenery outside, beyond the barriers of sovereignty and instead find a political thought that is not satisfied with what exists [...] and is pushed to go beyond.' (Di Cesare 2018: 82).

We will no longer talk about loss of identity deriving from globalization and cosmopolitanism, but a transformation that can have an extremely positive value for us. We have to see this new perception and fluidity of identity not as a decline of "western" identity – which as we previously analyzed is nothing

but an artificial structure imposed by the common thought - as painted by the nationalist's mindset, but as a growth and culmination of our existence.

As Europeans, we already have within us a fluidity and mixture of cultural and humanistic identities that are only waiting to be freed out our modern misconception of identification.

This change of perception will be the pivotal cultural challenge of our time. Not only for the Europe and the future of the European project, but for all the western world. It will be a challenge that will mine our foundations, truly putting them in discussion and confronting them with the functional needs of our time.

But it will also mean new powerful and innovative solutions for the problems of modernity. This new perception of identity will lead us towards the rise of new values and perceptions, what will be the change that will further generate the base for a new face and structure of the European Union. Only above this new base of thought, we will be able to build a Union of community and identification, able to answer modern risks and social needs.

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EU Facing Challenges: Migrants and Relations with Superpowers – *Quo Vadis* Europe after European Elections in 2019

Europeans, like most other inhabitants of the planet, are currently facing the crisis of 'politics as we know it' – a state of "interregnum", as the Italian philosopher Antonio Gramsci described a time in which the old is already dead or dying, but the new has not yet been born.

Abstract

Analysis of the European Union's (EU) future seems to get encouraging assessments despite Brexit and current challenges, such as migrants, terrorism, sustainable economic growth, relations with superpowers and climate change. Good news for decreasing the existing democratic deficit in the Union is the fact that the turnout of voters at European elections (2019) was over 50 percent for the first time in decades. Furthermore, the most recent polls show that 68% of Europeans deem that their country benefits from EU membership. It is the highest score seen since 1983. The outcome of those EU citizens' positive sentiments is the fact that the Eurosceptics, nationalist right parties, divided into two groups, do not have great influence in the new Parliament. Why is it so important to analyze European elections for the future of the Union? The answer lies in the significant role of the European Parliament in the overall institutional structure and in the decision-making process of the EU. However, citizens of the EU Member States have very high expectations related to more effective EU policies in the control of immigration. The complexity of the migrant crisis is also complemented by the mix of economic migrants with war refugees. Is it on the international scene "Europe - Fortress" or Europe without borders, remains to be seen through the solution of the migrant crisis in the upcoming mid-term period. Another vital determinant item for the future of the EU represents its relations with superpowers: USA, China and Russia. The vital question of the

future positive development of the Union depends on the EU's capacity to make effective decisions, both on the external political agenda, and even more internally in terms of stimulating economic growth and sustainable development, as well as to build an effective migration and asylum policy.

Keywords: EU future, migrants, Parliament, European elections

Introductory note

■ European Union (EU) is confronted with various contemporary challenges, such as Brexit, migrants, terrorism, sustainable economic growth, relations with superpowers and climate change. However, discussion on the EU future seems to get encouraging assessments, especially after European elections in 2019.

Between the global powers and national politics, there is the European Union (EU). "Perhaps the idea of Europe was and remains a utopia... But it has been and remains an *active* utopia, struggling to coalesce and consolidate the otherwise disconnected, multidirectional actions. How active that utopia will ultimately turn out to be, will depend ultimately on its actors". (Bauman Z, 2019). "Many Euro-sceptics have in vain predicted the near end of the European Union (EU), especially after the British Brexit referendum on the UK's exit from the Union. Just as the Community existed before the annexation of the United Kingdom in 1973, so does the Union, as its legal successor, exist after British withdrawal, announced by the result of the June referendum, 2016". (Gasmi 2016: 271).

According to recent opinion poll in Member States, only 8% of the EU population consider that they would lose nothing if the Union will collapse. With 427 million voters, across 28 EU countries, electing 751 MEPs, it's the second-biggest democratic vote in the world. Anti-European parties have gained a substantial number of seats in the European Parliament elections of 2019. However, major power shift did not happen within the EU. Marine Le Pen in France is calling for radical reform of the European Union, and Matteo Salvini in Italy for a Europe of common sense. It means that main populist leaders have abandoned the concept of total weakening of the Union.

Quo vadis Europe after European elections in 2019

Discussion on the European Union's future seems to have moved beyond the existential. Good news for decreasing the existing democratic deficit in the Union is the fact that the turn-out of voters was over 50 percent for the first time in decades (for example compared to 42.6 percent in 2014). Migration crisis of 2015, terrorist attacks, climate change, as well as rise of Eurosceptic forces against the perceived 'Brussels elite' all contributed to the increased interests of voters. This turnout rate has lent greater democratic legitimacy to the European Parliament - EP (Joannin P, Maurice E, 2019: 1).

Greens and liberals have made gains, while the center-right suffered. European People's party (EPP) lost more than 30 seats in May 2019 elections, but is still the strongest political force in the EP, while Social Democrats (S&D) have lost more than 40 seats. Nevertheless, coalition is necessary in order to foster institutional efficiency in the EP and to prevent blockages. Previous coalition of left and right lost its 40-year long majority in the EP. EPP and S&D will no longer be able to form an absolute majority alone as it has been the case since the first election of MEPs by direct universal suffrage. Together they only have 336 seats, i.e. 41 less than the required majority of 376 seats.

The Eurosceptic, nationalist right only have 135 seats, i.e. 17.98% of the Members of Parliament (MEPs), divided into two groups and does not enjoy any real leverage for it to have any influence (Maurice E. et al. 2019). There is a great number of non-attached members at the start of this legislature (57), mainly due to the number of MEPs in the Brexit Party (30).

However, after the Brexit finalization there will be different composition of seats.¹ EP still has 751 MEPs, instead of 705 as planned if Brexit had effectively taken place before the European election. Since 27 of the 73 British seats are due to be redistributed, there are MEPs from 13 countries waiting to take their place in the hemicycle. When Brexit takes place France and Spain will each have 5 extra MEPs; Italy and the Netherlands 3; Ireland, 2. Nine oth-

¹ Brexit has not yet been finalized at the time of writing this paper.

er Member States (Austria, Bulgaria, Croatia, Denmark, Estonia, Finland, Poland, Slovakia and Sweden) will have an additional seat. Those facts bring a level of uncertainty for future activities of the European Parliament. Statistics shows that with future 705 MEPs, after Brexit and withdrawal of British MEPs, the majority will drop to 353 votes instead of the present 376 MEPs.

Since 2009, according to Parliament's rules of procedure, a political group shall consist of at least 25 Members elected in at least seven Member States. Pro-European political forces are still in the majority in the Parliament, occupying 67.5% of the seats. Parliament is consisted of two other groups – the Liberals (ALDE) and the Greens (Greens/EFA) with whom EPP and S&D will, the most probably, join forces to form a new majority.

Negotiations started actively at the end of May 2019 among heads of State and governments of Member States to decide on the appointment of the executives to lead the EU institutions: Parliament, Commission, European Council and European Central Bank. Nominees have to both represent the results of European elections, the diversity of political and territorial origins and the balance between men and women. Parliament decides on the President of the Commission, proposed by European Council.

President of the EP is David Sassoli (from S&D party, IT), who took over from another Italian Antonio Tajani (who is a member of EPP). In order to prevent nationalist's presence in positions of responsibility in Parliament, none of the MEPs in the ECR and ID have been appointed as Vice-Presidents of Parliament (Maurice E. et al. 2019). The appointment of Ursula von der Leyen by the European Council was followed by her election in the Parliament on 16th July 2019 as President of the Commission with only a 9-vote majority (383 of the 747). After Donald Tusk, on 2nd July 2019, EU leaders elected Charles Michel (former Prime Minister of the Kingdom of Belgium since 11 October 2014) as President of the European Council. He will take office on 1st December 2019.

The European Council appoints the European Central Bank (ECB) President for a period of eight years. It takes its (final) decision on the basis of a Council recommendation. It also consults the European Parliament and the ECB's Governing Council (composed of the 6 members of the Executive Board, plus the governors of the

central banks of the 19 euro-area countries). The European Council then takes its decision through a qualified majority vote. This procedure is set out in article 283 of the Treaty on the Functioning of the EU (TFEU). In line with this nomination procedure, on 18 October 2019, the European Council appointed Christine Lagarde to be the President of the European Central Bank for a non-renewable term of 8 years. She took office on 1 November 2019.

Political groups in the European Parliament	Number of seats
EPP - Group of the European People's Party (Christian Democrats)	182
S&D - Group of the Progressive Alliance of Socialists and Democrats	154
Renew Europe RE - Group of the Alliance of Liberals and Democrats for Europe + Renaissance + USR PLUS	108
Greens/EFA - Group of the Greens/ European Free Alliance	74
ECR - European Conservatives and Reformists Group	62
Identity and Democracy ID - new name of Europe of Nations and Freedom (ENF) group	73
GUE/NGL - Confederal Group of the European United Left - Nordic Green Left	41
NI - Non-attached Members	57

Historia magistra vitae est. This old Latin proverb is certainly applied in contemporary situation. More precisely, increasing the competences of the Parliament through decades was seen as an effective instrument to combat democratic deficit. Existing democratic deficit is one of major challenges even in today's functioning of the EU (Prof. Dr W. Kaiser in his speech in the European movement of Serbia on 27th May 2019, Belgrade). The new EU legislature is characterized by absence of stable majority, which may lead to weakening of the Parliament's position in the EU institutional structure. Furthermore,

some authors consider fragmentation of the political groups in the Parliament as even more problematic for its functioning (Maurice E. et al. 2019), but it remains to be seen whether those facts will impede or not the decision-making process in the EU.

Why is it so important to analyze European elections for the future of the Union? The answer lies in the significant role of the European Parliament in the overall institutional structure and in the decision-making process of the EU. It was a very long battle for the Parliament ever since mid-80-ties to obtain equal status with Council in legislative procedure, since Spinelli announced the need to strengthen the institutional position of the Parliament, together with other federalists.

Main features of the EP importance in the EU

Any forthcoming legal and institutional upgrading of the EU must begin with the need to apply the principle of subsidiarity in a flexible manner and with the necessity of continuously strengthening the decision-making efficiency and democratic legitimacy of the EU decision-making process. In this context, the European Parliament (EP) has a particularly prominent role as catalyst for integration processes within the Union (Gasmi, 2016).

In addition, the role of the Parliament is also a determinant factor of the achieved level of removal of the EU's democratic deficit. Specifically, EU Member States are the main constituent entities of the Union and, as such, dictate the course and pace of institutional reform of the Union. Contemporary discussion whether the EU is the post-sovereign community or a kind of parliamentary model through the strengthening of the role of the European Parliament aims to emphasize the theory of implicit powers, which defines the jurisdiction of the Union in achieving its goals. We are witnesses of a kind of legal and institutional crisis in the EU ("Fatigue de l'Europe", say the French) in the last decade.

The Lisbon Treaty (2009) grants an increase in Parliament's powers through the right of the EP to elect the President of the Commission, and not just the right to be consulted as in the previous period. The European Council proposes a candidate for the President of

the Commission, based on a decision made by a qualified majority and taking into account the results of European elections (Article 17, paragraph 7 of the Lisbon Treaty). If Parliament refuses to nominate a proposed candidate, the European Council must propose another candidate. The result of improving Parliament's powers in this area is that the EP gained increased political influence in overall institutional system of the EU.

Furthermore, the Parliament developed a practice, which is not legally grounded in the EU Treaty, to hear each of the Commissioners individually before deciding to approve the composition of the entire Commission. This led to the withdrawal of the initial proposal of the composition of the Baroso Commission in September 2004 in order to prevent the negative reaction of the Parliament. Namely, one of the EP committees expressed its concern in the public listening procedure to the proposed Commissioner, which led Baroso to rename the future composition of the Commission, in order to receive approval in November of the same year, and a similar situation was repeated in 2009/2010 year. The same situation has repeated in Autumn 2019, when the Parliament did not give consent to proposed commissioner from Romania, Hungary and France and as a result, the three candidates had to be withdrawn and new candidates were proposed, which postponed entry into office of the new Commission led by President, Ms. Ursula von der Leyen. This EP practice of public hearing of the Commissioners' candidates speaks in favor of Parliament's active role as promoter of strengthening its own political authority (Gasmi, 2016).

The Lisbon Treaty introduces a new budgetary procedure, which leads to increased Parliamentary powers. It is about the fact that there are no longer so-called. compulsory expenditures, on which the Council of Ministers had a final decision, contrary to the so-called. non-compulsory budgetary costs, which were decided by the Parliament in the last instance. Compulsory expenditures accounted for about 45% of the Union's total budget and predominantly related to common agricultural policy and/or international agreements of the Union. After Lisbon Treaty, Parliament really becomes the second hand of the budgetary authority in the true sense of the word, because it shares its competence in this area equally with the Council of Ministers. Consequently, Parliament has

been placed in an equal position with the Council of Ministers to decide on all budgetary expenditures (Art. 314, Lisbon Treaty) in co-decision. With the acquisition of significant budgetary powers, Parliament has also received realistic options to directly influence the establishment and implementation of the EU policies (Gasmi, 2016: 154-155).

The procedure for granting Parliament's approval (assent procedure) refers to important EU decisions with international implications, such as: accession of new member states, association agreements with third countries, non-members; organization and objectives of the Structural and Cohesion Fund; tasks and powers of the European Central Bank (ECB), etc. Within this procedure, Parliament is empowered to give or deny consent to the proposal of the submitted regulation for consideration. Within the framework of the procedure, Parliament is not allowed to amend or supplement the proposal of the EU regulation. The Treaty of Lisbon provides for the strengthening of Parliament's powers in the areas of conclusion of international treaties (Article 218, paragraph 6). Moreover, the EU Treaty stipulates that Parliament must be immediately and fully informed on all stages of the negotiation process of international agreements on behalf of the EU.

In the case of a Member State exit (as with Great Britain), the Treaty of Lisbon provides for mandatory Parliament's consent to conclude an agreement on exit, which defines the conditions of membership exit and the future relations of that country with the EU.

In addition, in the sphere of amending the primary legislation, i.e. the founding Treaties, Parliament after Lisbon Treaty won the right to propose a revision of the EU Treaty. This has come after persistent Parliament's demands in this area, which were rejected by Member States until the adoption of the Treaty of Lisbon.

The Treaty of Lisbon defined co-decision as a regular legislative procedure, which represents another significant field of strengthening of the Parliament position in the EU. Co-operation implies that the Council, acting on a proposal from the Commission, takes a common position after receiving the opinion of the EP. Then, its position is forwarded to the Parliament, which can or approve it (when the Council finally adopts it) or reject it (after the

application of the conciliation procedure) or amend it (by an absolute majority of the members of the EP). The co-decision procedure provides for the establishment of the Conciliation Committee (composed of Council members together with an equal number of MPs, with a Commission representative). The Committee has the task of reaching an agreement on the joint text of the draft. The Conciliation Committee is convened when the Council does not approve the EP's amendments to its common position. When an agreement is reached within the Committee, a qualified majority in the Council and an absolute majority in the EP are required to approve it. Subsequently, a harmonized proposal for the regulation is submitted to the Council and the EP for approval (also by a qualified majority in the Council and an absolute majority in the EP). If any of the EU institutions rejects the proposal of regulations, it is considered that the proposal is rejected and the procedure is terminated. Also, if the Committee fails to agree on the text of the proposal, it is considered that the act has not been adopted (Fairhurst, 2010: 125).

The significance of the role of the EP within the EU's political system is reflected in the fact that many statesmen, both from the EU members themselves, and outside the Union, use the Parliament as a platform for expressing their views on European integration and other important international issues. In this way Parliament acquires an international significance that goes beyond its normative competences and the basic characteristics of its position within the Union itself. This gives to the Parliament obvious international political importance.

The story about the future of the EU starts with the analysis of the European elections' results (May 2019), showing that populist parties have limited political influence in the future of the EU decision making. Light political change in the EU happened due to fact that two main parties, EPP and Social Democrats are on the decline, while ecologist and liberals increased their presence in the Parliament. Taking into account all competences of the Parliament that are analyzed, it is clear that formulation of the EU policies and legislation, as well as budget spending and international cooperation will largely depend of functioning of coalition of European parties in the EP for the next five years.

The future of the EU – turbulent story about migrant crisis and relations with major geopolitical players

Citizens of the EU Member States have very high expectations related to more effective EU policies in the control of immigration. The complexity of the migrant crisis is also complemented by the mix of economic migrants with war refugees.

Very strong impact has blaming the Islamic religion with terrorism in many EU countries, especially in France, as well as in Belgium and Germany. In this way, the concept of multiculturalism, on which rests the EU is collapsing. *In varietate concordia* is the EU's motto that protects the peculiarities of different national identities and cultures of EU Member States. In the situation of the migrant crisis, this idea is fundamentally shaken. The migrant crisis is the most significant problem facing the Union, according to the results of the Eurobarometer survey (White Paper by World Economic Forum, 2016, p. 3).

The overall support for EU involvement on the issue of migration remains very high according to a series of Eurobarometer surveys. Therefore, more than ever, the Union is facing difficult decisions in near future, since it experienced the problems of solidarity in this domain.² Is it on the international scene "Europe - Fortress" or Europe without borders, remains to be seen through the solution of the migrant crisis in the upcoming mid-term period of time.

² "The 2015 crisis regarding the reception conditions of asylum seekers revealed both a lack of solidarity between Member States, with those in the East refusing the host refugee quotas requested by the President of the European Commission, Jean-Claude Juncker – totaling 160,000 people – in contrast to a million in Germany and 1.2 million across the EU as a whole, and a series of "solidarity crimes" on the part of some, who deemed it is contemptible to allow thousands of migrants to die at sea or in the street. Apart from the 34,000 deaths since the end of the 1990's, migrants have often been received without an offer of housing, as in Calais, or in camps as in Lesbos and in urban peripheries, such as the Porte de la Chapelle in Paris." Wihtol De Wenden C., 2019., p. 2. The problem of solidarity within the EU was pointed out also by Prof. Dr Katrougalos Georgios, former Minister of Foreign Affairs of Greece at the Conference „Serbia's security cooperation with Bulgaria, Greece and Romania in the European integration context“, held in Belgrade on 28th November 2019

The Dublin asylum system has been the most criticized by A. Merkel, the German Chancellor, but also by other EU officials, as it provides the greatest pressure on the Member States that are on the frontline of the migrant flows. Article 3 of the Treaty on European Union (TEU) binds the EU, as a non-state actor, to align itself with United Nations (UN) norms, as well as to the strict observance and the development of international law, including respect for the principles of the UN Charter in its role in promoting and protecting human rights through all its actions.

Furthermore, freedom of movement is established as a basic human right, and at the same time it is one of the four freedoms on which the EU market is based (Fairhurst, 2010: 372-427). On the one hand, the protection of refugees and migrants is legally guaranteed, and, on the other hand, there is a justifiable fear of the Member States of the Union from the massive flooding of refugees and the accompanying inevitable security risks. *Exempli causa*, terrorist attacks in Paris (November 2015) and Brussels (March 2016) have increased the justified fear of compromising the security of EU Member States. In the absence of a comprehensive security and defense identity of the Union, the demands for enhanced EU external border control and for internal reform of the Union's common migration policy are necessary consequences (Gasmi, 2016: 232).

What are the legal and institutional frameworks in this context? The EU has a shared competence for developing a common immigration policy. Under EU law, Article 67(2) of the Lisbon Treaty on the Functioning of the European Union (TFEU), the Union shall frame a common policy on asylum, immigration and external border control, based on solidarity between Member States, which is fair towards third-country nationals. Third-country nationals shall also include stateless persons. Article 78 TFEU provides for the EU to develop a common policy on asylum, subsidiary protection and temporary protection. This provision also frames the role of the European Parliament and the Council as co-legislators when adopting measures for a common European asylum system.

In case of a sudden inflow of third-country nationals into one or more Member States, the Council can adopt temporary measures based on a Commission proposal and after consulting the European Parliament. Article 79 (1) provides for enhanced measures to combat

illegal immigration and trafficking in human beings, with the Parliament and the Council acting in accordance with ordinary legislative procedure (co-decision procedure), while Article 79(3) allows that the Union may conclude agreements with third countries for the readmission to their countries of origin or provenance of third-country nationals who do not or who no longer fulfil the conditions for entry, presence or residence in the territory of one of the Member States.

Article 80 TFEU refers to the principle of solidarity and fair sharing of responsibility, including its financial implications, between the Member States when they pursue policies on border checks, asylum and immigration. The EU Charter of Fundamental Rights provides for the right to asylum in Article 18 and the prohibition of refoulement in Article 19. Compliance with the Charter is a requirement for the validity and legality of the Union's secondary legislation, including directives and regulations in the field of asylum.

Furthermore, in the EU are operating relevant financial frameworks, such as the Asylum, Migration and Integration Fund (AMIF) and the Internal Security Fund (ISF) with significant amounts for the period of 2014-2020.³ There are responsible EU agencies: Frontex, dealing with the external border management and control, then the European Asylum Support Office (EASO) that works with Member States on implementation of their obligations under the asylum system and Europol, assisting police cooperation between Member States, including in the area of migrant smuggling.

EU will no doubt continue to be attractive to migrants and asylum-seekers, especially Germany, Sweden, Belgium and other Member States. On 14 June 2018, the European Commission published a proposal for a regulation of the European Parliament and of the Council establishing the Neighborhood, Development and Interna-

³ According to the April 2018 data, the AMIF initial allocation for 2014-2020 MFF increased from €3.8 billion to €6.6 billion, while the funds for ISF increased slightly from €3.7 billion to €3.8 billion. According to the European Commission, the overall spending from the EU funds (AMIF and ISF), which represent the majority of the EU budget for migration-related activities, has proven mainly effective. The funds have improved asylum systems and strengthened reception capacity in the Member States and reinforced the border management capacity at the external borders of the Union. [http://www.europarl.europa.eu/RegData/etudes/BRIE/2019/635542/EPRS_BRI\(2019\)635542_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/BRIE/2019/635542/EPRS_BRI(2019)635542_EN.pdf), published in March 2019

tional Cooperation Instrument (NDICI)⁴, with a proposed budget of €89.5 billion over the 2021-2027 period.

However, it is noteworthy to stress that EU leaders have announced the need to step up cooperation with countries where migrants originate or transit and agreed that migration issue can only be addressed at the EU level. Consequently, EU priority in a forthcoming period is a significant strengthening of EU's external borders.⁵

Due to political differences among Member States, radical reform of the EU Dublin asylum system remains to be agreed in near future. *Exempli causa*, in August 2019 Spain called for legal action of the Commission against Italy for not allowing the disembarkation of Spanish rescue ship Open Arms and for breaking the EU norms. This situation illustrates political tensions among Member States. Spanish deputy prime minister Carmen Calvo also insisted on a coordinated European response for those rescued in the Mediterranean Sea, which should be taken through decisions of the EU Commission. However, there are opinions that „because of the largely heterogeneous positions within both populist and mainstream parties regarding migration policy, substantial reforms and initiatives, whether they relate to restrictive or to liberal measures, might not abound during the new legislature“ (Ardittis, 2019). Migration issue is one of the most divisive in the EU. Consequently, prevalent assessment is that substantial reforms and relevant initiatives, whether they relate to restrictive or to liberal measures, might not be numerous during the new Legislature (Ardittis, 2019).

The situation is furthermore aggravated by the recent suspension by Turkey of the EU deal on migrant readmissions. European Commission has taken action (July 2019) against Hungary, being „non-obedient“ Member State and referred Hungary to the Court of Justice over national legislation that criminalises activities in support of asylum applications and that restricts the right to request asylum

⁴ *Ibidem*

⁵ Strengthening of EU's external borders - through the creation of a new Integrated Border Management Fund worth €9.3 billion and through a significant increase of funding of €12 billion for the decentralized agencies supporting Member States protecting EU borders, notably the European Border and Coast Guard Agency (Frontex). *Ibid.*

(Ardittis, 2019). This is positive move, but still far enough from coordinated European response to migration challenges.

EU measures include the return and re-admission of irregular migrants who have no right to enter or stay in the EU, the fight against migrant smuggling, the protection of EU's external borders, the creation of legal pathways for those who are in need of international protection, the establishment of a solid EU asylum policy based on balance between solidarity and responsibility, and addressing migration in cooperation with third countries through political and financial means. However, implementation of those measures is in the competence of Member States, but there is a strong disbalance among Member States on South EU (especially Italy, Spain and Greece, as well as Bulgaria), being at the forefront of migration pressures and the other Member States.

The newly-elected Commission President Ursula von der Leyen, proposed a new pact on migration and asylum that would include the relaunch of the Dublin reform, a return to a fully functioning Schengen area and a new way of sharing responsibility among Member States in the field of the EU migration and asylum policy.

Under the existing system, asylum seekers are not treated uniformly and recognition rates in different EU countries vary. Moreover, only a very few countries, based on their geographical position, are responsible for essentially all asylum claims submitted within the EU. In order the legal framework to be more efficient, harmonised, fair and more resistant to future migratory pressures, it needs to be reformed. During Summer 2019, fourteen member countries of the EU have agreed to a new "solidarity mechanism" proposed by Germany and France to allocate migrants across the bloc, but the problem is that Italy's Interior minister Matteo Salvini, whose country is at the forefront of the migrant influx in Europe, did not take part in the meeting. Italy took in almost all of the migrants rescued by humanitarian groups at sea until a populist coalition government took office in 2018 and immediately sought to close the nation's ports to the charity ships. Therefore, it is high time to build a future valid migration and asylum policy of the EU (Wihtol De Wenden, 2019). Momentum is optimal, bearing in mind that after the peak in migrants' arrivals to the EU in 2015, data show that flows are below pre-crisis levels at the end of 2018 (Avramopoulos, 2018).

Another vital determinant item for the future of the EU represents its relations with USA, China and Russia, being the most important global players in contemporary international relations.

European policy towards Russia is a divisive point. Some populist leaders, such as Orban in Hungary and Salvini in Italy have both been friendly towards V. Putin. At the same time, they have criticized the sanctions taken by the EU against Russia since the annexation of Crimea and conflict in Ukraine. However, although they criticize the EU policy, they have not used their veto (Kahn, 2019: 8). Relevant reason for this can be the energy dependence of the EU towards Russia. The dynamics of economic and political EU sanctions renewal each year, starting from 2014, indicates the temporary character of it. It remains to be seen further development of relations between EU and Russia, taking into account new events in relations with the USA and other factors.

With disappearance of bipolar world, new multipolar relations have developed, but very unstable. Precisely, current trade war between USA and China has colored the contemporary international relations. Furthermore, USA has abandoned its previous position of strong Western ally of the EU, which was proved in many occasions (Vimont Pierre, 2019: 3). In the globalization era, the EU is left to find its own influence path.

EU established common system for monitoring investments from China, but it represents simple information exchange among Member States. Bearing in mind considerable commercial dumping coming from China, as well as Chinese enormous investments in EU Member States, but not always transparent, the final result is great division among Member States in the battle for those investments, instead of EU unity. In this manner, China is on the way of economic dominance towards the EU with all parallel consequences for the EU future.

Concluding remarks

The vital question of the future positive development of the Union depends on the EU's capacity to make effective decisions, both on the external political agenda, and even more internally in terms of stimulating economic growth, employment and sustainable development.

The functioning of the European Parliament, more than that of the national parliaments, fosters majorities of ideas. History of the European integration is not a quick process nor easy. However, during synchronization of the various economic and political interests of the Member States and while establishing of common rules, the functionalist conception or sectoral unification prevailed, but preserving full sovereignty of the Member States. It is quite in the spirit of the ideas of Jean Monnet who had foreseen that the unification of Europe will be carried out step by step, creating *de facto* solidarity among its Member States.

The most recent polls show that 68% of Europeans deem that their country benefits from EU membership. It is the highest score seen since 1983, 49% say they are happy with the democratic functioning of the Union, 48% deem that their vote counts in the Union and 48% want the European Parliament to play a greater role. (Joannin, 2019: 2). Consequently, EP can rely on the expressed will of EU citizens to consolidate its institutional and political role, notably in the face of the Member States gathered in the Council and the European Council.

The increase in voters' turnout reflects the increased importance of European issues (Joannin, Maurice, 2019) and increasing Europeanisation of politics in the Member States. Strategically seen, it is very positive that young people, citizens of member States have demonstrated record turnout at European elections.⁶

"The very significant boost in voter turn-out in May's European elections shows that people, especially the younger generation, value their democratic rights and believe that the European Union is stronger when acting in unison to address their concerns," commented David Sassoli (S&D, IT), President of the newly elected Parliament in 2019.

State of the economy and the environment (climate change) were the two main priorities of voters, according to a Eurobarometer survey commissioned by the European Parliament in June 2019. Brexit played a role too, with 22% of respondents citing it as influencing their decision to vote, at least 'to some extent'. Significant motivators for voters were also human rights and democracy - 37%, the way the EU should be working in the future - 36% and immigration - 34% (<https://www.europarl.europa.eu/news/en/press->

⁶ Official data show high turnout of people under 25 and 25 – 39 years groups (<https://www.europarl.europa.eu/news/en/press-room/20190923IPR61602/2019>).

room/20190923IPR61602/2019). Therefore the Union needs, more than ever, serious reforms in order to reply to contemporary challenges, internal and external.

Institutional functioning of the EU is characterized by complexity, but also by a certain level of alienation from its citizens, who consider EU and its institutions as a tax burden. Consequently, it can be concluded that recent European elections, with positive turnout of voters, represent a chance for turning point towards institutional efficiency of the EU and for its better influence in contemporary international relations. The conclusion arises that the Union is a continuous negotiating system (Borzel, Risse, 2012) characterized by daily decision-making, but in parallel by a failed European Constitution, which was replaced by Lisbon reforms of Founding Treaties.

The French President Macron considers that the Union would reform before it enlarges (Mirel, 2019). It was the basis for French veto on launching membership negotiations of the EU with North Macedonia and Albania in 2019, which was slap in the face of those candidate countries. Denmark and Netherland also blocked the opening of membership negotiations, the fact that confirmed the absence of internal political consensus within the Union. Even more, this situation clearly indicates the long-term weakness of strategic guidelines in the domain of common foreign and security policy of the EU. Many authors have warned that for the EU there is no time to lose (Avramopoulos, 2018, Mirel, 2019). However, the new President of the European Commission, Ursula von der Leyen, has promoted the triptych of “security, sovereignty and influence” for the new Commission’s work in its mandate till the end of October 2024, which gives hope to launch of strategic better future of the EU.

New European elections have certainly brought more democratic legitimacy to the Union and it remains to be seen how this democratic potential for growth of the EU prosperity is going to be implemented in near future. The pro-European parties might agree on projects and ideas that will foster deepening of European integration. This, however, should not happen at the expense of enlargement of the EU. Essential concepts in this context are: stability, credibility and effectiveness of the functioning of EU institutions. To the extent that it is provided in the EU, it will be realistic to conclude that it is a democratic Union with optimal institutional architecture.

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Why CEE Countries Remain Strongly Pro-European-Oriented? A Case Study - Romania and its Economic Benefits from the EU

Abstract

Romania was the leader of the economic growth and development in Central and Eastern Europe over the past two decades, an evolution strongly influenced by the EU integration process. The GDP/capita at purchasing power parity as a weight of the Euro Area increased from around 20% in 2000 to above 60% in 2018, while the nominal GDP/capita outpaced EUR 10,000 last year. There can be noticed important differences between the pre-crisis and the post-crisis cycle. However, at present the Romanian economy is confronted again with the twin deficits challenge. On the other hand, the mid-run outlook maintains positive for Romania, an evolution supported by the recent contribution of the production factors to the dynamics of the potential GDP. In this paper we implement standard econometric tools in order to analyze the macro-financial developments in Romania over the past decades and to calibrate a mid-run macroeconomic scenario.

Keywords: EU integration, Romanian economy, production function

Introduction

■ Located at the crossroads of the European Union, Middle East, Community of Independent States and the ambitious investment platform launched by China ("One Belt One Road") Romania is an economy recommended for investments (sovereign rating "BBB-") by the main rating agencies.

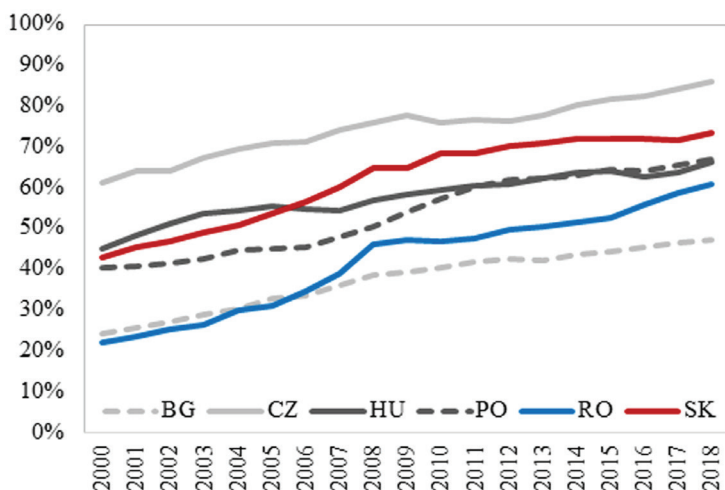
From the point of view of the dynamics of the GDP growth pace and GDP/capita evolution Romania was the leader of the EU member countries. For instance, GDP/capita at pur-

chasing power standards (as percentage of the Euro Area) increased from around 20% in 2000 (the year of opening negotiations with EU) to above 60% in 2018, as can be noticed from the Figure 1. During the period this indicator climbed from around 25% to 47% in Bulgaria and from 40% to 67% in Poland.

This development process was mainly determined by the economic integration with the European Union, with positive impact for the dynamics of the investments, exports and private consumption. The strong integration with the EU economic cycle and the absorption of the EU funds had a significant contribution to the development of the Romanian economy over the past decades.

As can be noticed from this Figure 1 the GDP/capita increased by a higher pace from 2000 until 2009, the year Romania was strongly affected by the incidence of the Great Recession (the most severe economic and financial crisis since the end of the World War II).

Figure 1. GDP/capita (purchasing power standards, % of the Euro Area)



Source: Eurostat, 2019

Romania is not anymore a small economy, as nominal GDP outpaced EUR 200bn in 2018, turning the country the 15th largest of the European Union (the 46th place on the global economy).

At the end of 2019 Romania is confronted with the widening of the twin deficits (public finance and current account). However, the mid-run prospects are positive, as reflected by the dynamics of the total productivity factor, the strong development of the IT&C sector (the star of the post-crisis cycle) and the prospects for opening the negotiations to entry OECD (the league of the developed countries) in the following quarters.

The rest of the paper has the following structure: chapter one presents the recent developments in the global economy, EU and CEE; the second chapter briefly describes the macro-financial dynamics in Romania; the methodology is presented in third chapter; the mid-run outlook for Romanian economy is described in the fourth chapter; the conclusions are drawn in the last chapter.

Recent developments in global, EU and CEE economies

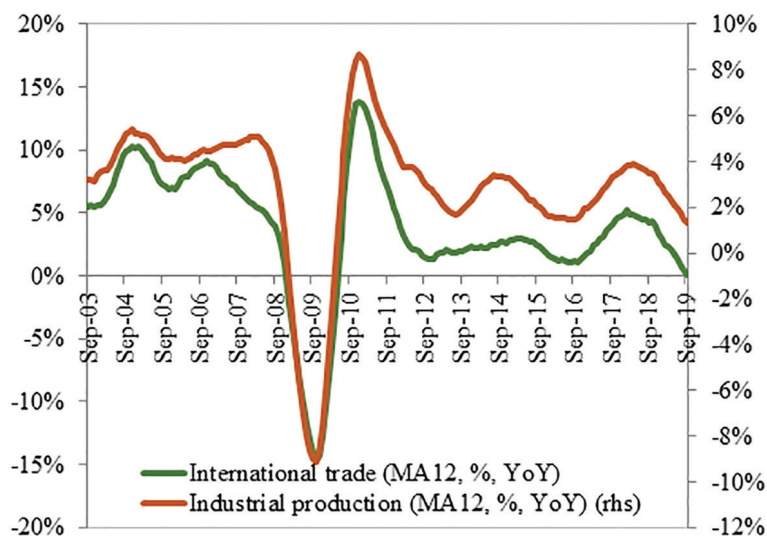
The economic year 2019 in the global economy was dominated by the trade negotiations, the change of the trend in terms of monetary policy and the gap between the slowing-down of the growth pace and the strong climate on the financial markets.

From the nominal perspective 2019 was the year when the GDP of China outpaced the GDP of the Euroland (the core group of the European Union), the equilibrium point of the unbalanced global economy over the past four decades.

This year the global economy continued to be confronted with the USA-China trade tensions, the largest economies of the world, with a cumulated contribution of over 40% to the world GDP.

According to Bloomberg data the volume of the global trade contracted by 0.4% YoY during 9M2019, an evolution with spill-over impact for the industrial production (increase by only 1% YoY), as can be noticed in Figure 2.

Figure 2. Global trade vs. industrial production



Source: Bloomberg, 2019

At the same time, the global services sector decelerated in 2019, due to the deterioration of the investment climate, an evolution partially counterbalanced by the strong labor market climate (the unemployment rate down to the lowest level of the past decades) and the implementation of the Digital Revolution.

According to the Autumn macroeconomic outlook of the International Monetary Fund (IMF) the global GDP would increase in 2019 by around 3% YoY, the slowest pace since 2009.

Analyzing the dynamics of the GDP in US, China and Euro-land (the main economic powers of the world, with a contribution of over 55% to the global GDP) there can be noticed a synchronized deceleration process over the past quarters.

For instance, during 3Q2019 the YoY growth pace decelerated to 2.1% in USA (the lowest since 2016), consolidated at 1.2% in Euroland (the minimum since 2013) and diminished to 6% in China (the lowest since 1992).

At the same time, inflation rate persisted at a low level, below the target of the central banks in US and Euro Area (2% YoY).

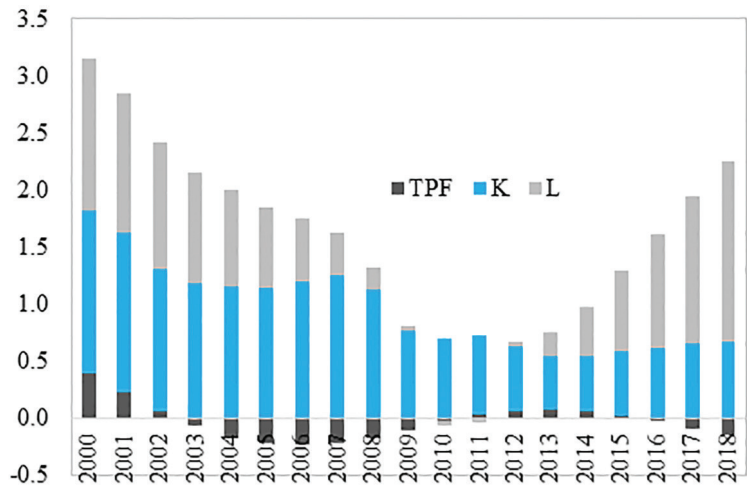
The slowing-down of the growth pace and the low level of inflation determined the change of the trend for the monetary policy in US in 2019 (from normalization to expansionary): FED cut the reference rate three times by 25 bp and implemented “repo”s for the first time since the Great Recession.

At the same time, the central banks in Euroland and China implemented expansionary measures in 2019.

On the other hand, the climate on the global financial markets was positive in 2019, with the US stock market climbing to record high levels, an evolution influenced by several factors: the optimism induced by the US-China trade negotiations (these countries reached a partial agreement in December), the expansionary policy-mix in US, China and Euroland, the Digital Revolution and the quarterly financial reports of the companies.

In 2019 Euroland economy was confronted with the global trade tensions and the regional structural challenges (including the deterioration of the total productivity factor, due to the slow dynamics of the structural reforms and to the diminishing efficiency of the unprecedented expansionary monetary policy).

Figure 3. The contribution of the production factors to the YoY dynamics of the potential GDP in Euroland



Source: own estimates, based on the methodology and using Eurostat data

The evolution of the economy by a slower pace compared with potential (negative output gap) and the persistence of inflation at a low level (below the target of the central bank) determined the European Central Bank to implement additional expansionary measures starting September 2019.

Last, but not least, 2019 was the year of changes at European Commission and European Central Bank from the institutional point of view, the new leaders signaling an improvement of the policy-mix in the following quarters.

The European economic convergence process dominated the countries in Central and Eastern Europe over the past decades, being supported by the strong dynamics of the foreign direct investments, in the context of competitive and comparative advantages.

At present, the economic distance between CEE and the Euroland in terms of GDP/capita (at purchasing power parity) persists at high levels, especially in Romania and Bulgaria. Furthermore, during the post-crisis cycle the speed of the convergence process diminished.

Based on Eurostat data we can compute the speed of the European economic convergence process in these countries. For instance, GDP/capita (as % of Euro Area level) climbed by average annual paces of 2.2% in Bulgaria, 1.1% in Czech Republic, 1.5% in Hungary, 2.4% in Poland, 2.9% in Romania and 1.3% in Slovakia during 2009-2018, slowing-down from 5.5%, 2.7%, 3%, 3.3%, 8.8% and 4.7%, respectively during 2000-2009.

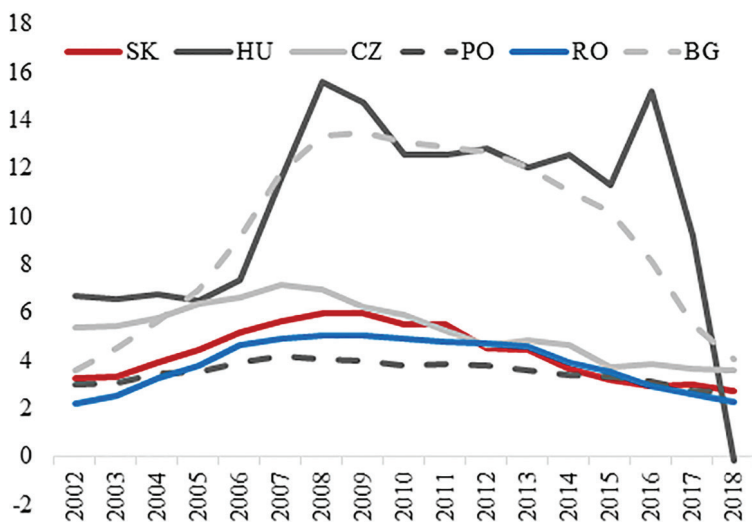
This evolution was mainly determined by the deterioration of the flows of the foreign direct investments after the incidence of the Great Recession (as can be noticed in the following figure), the discontinuity of the structural reforms after the EU entry and the low level of the intra-regional economic integration.

At present the Central and Eastern Europe is confronted with several structural challenges:

1. the slow dynamics of convergence in terms of the gross valued added;

2. the concentration of foreign direct investments in labor intensive sectors (the region is the assembly platform of the countries in Western Europe);
3. the outflows of the profits generated by the multinationals;
4. the low and inefficient level of the research and development;
5. the high fragmentation of the domestic companies.

Figure 4. Flows of foreign direct investments (% GDP) (MA10)



Source: Bloomberg, 2019

Romania – recent macroeconomic developments

The Romanian economy grew by 4.4% YoY in 2018, slowing down from 7.1% YoY in 2017, due to the deceleration of the domestic demand and to the deterioration of the net foreign demand.

The pace of the private consumption normalized (7.2% YoY in 2018 vs. 10% YoY in 2017), given the fading out of the Fiscal Act and the acceleration of inflation.

On the other hand, the fixed investments contracted by 1.2% YoY, due to the intensifying challenges in terms of macro-economic equilibria and policy-mix.

However, the collective component of the public consumption rose by 4.5% YoY, given the expansionary fiscal and income policies.

The net foreign demand had a negative contribution to the GDP growth pace in 2018 as imports advanced by 9.1% YoY, while exports rose by 6.2% YoY.

The unemployment rate down to 4.2% in 2018 (the lowest since 1991).

During 1H 2019 the Romanian GDP advanced by 4.7% YoY, an evolution determined by the contribution of the domestic demand (6.7pp), supported by the expansionary policy-mix.

There can be noticed the increase of the fixed investments by 12.4% YoY, given the improvement risk perception, the low level of the real interest rates and the slow dynamics during post-crisis cycle.

At the same time, the household consumption climbed by 6.1% YoY.

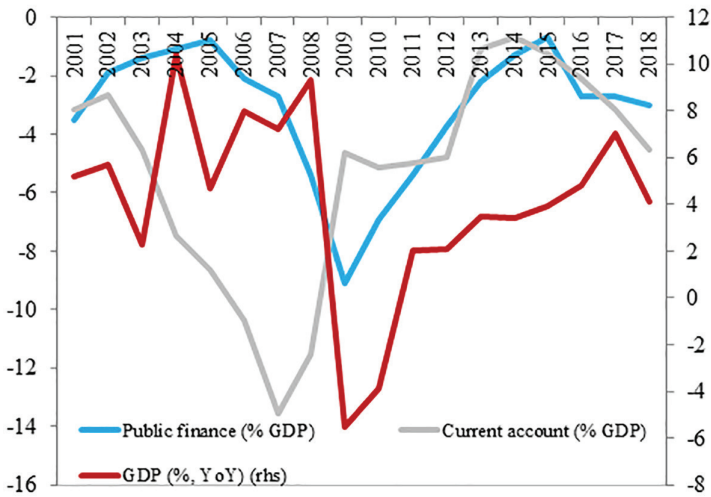
Furthermore, the public consumption contributed by 0.3pp to the GDP growth given the expansionary fiscal and income policies.

On the other hand, the imports continued to increase by a higher pace compared with the exports (6.4% YoY vs. 2.7% YoY) during January-June, according to the Statistics Office.

The agriculture and the industry stagnated YoY, while IT&C and the constructions rose by 9.9% YoY and 14.9% YoY, respectively.

We point out that the strong increase of the economy was accompanied by the widening twin deficits (towards the highest levels since 2012), as can be noticed in the following figure.

Figure 5. The dynamics of GDP and of the twin deficits in Romania



Source: based on data of the National Institute of Statistics and National Bank of Romania

Methodology

In this paper we employ several standard econometric tools in order to assess the recent macro-financial developments and to generate a core macroeconomic scenario for the Romanian economy.

In order to estimate the dynamics of the potential GDP the production function Cobb-Douglas was applied, a method also used by the European Commission (D'Auria, et al. (2010); European Commission (2012)):

$$Y = L^{\alpha} \times K^{1-\alpha} \times PTF \quad (1.1),$$

where Y , L , K , PTF and α represent the GDP, labor, capital stock and the multi-factor productivity.

By applying the logarithms relation (1.1) transforms into:

$$Y_t = \alpha \times L_t + (1 - \alpha) \times K_t + PTF_t \quad (1.2),$$

Y_t , L_t , K_t și PTF_t representing the dynamics of the GDP, labor, capital stock and the total productivity factor.

Afterwards, the Hodrick-Prescott filter was employed in order to estimate the trend component for the labor and multi-factor productivity.

The dynamics of the potential GDP can be expressed in the following relation:

$$Y_t^* = \alpha \times L_t^* + (1 - \alpha) \times K_t + PTF_t^*, \quad (1.3),$$

where Y_t^* , L_t^* and PTF_t^* represent the structural component for the GDP, labor and multi-factor productivity.

The labor factor (L) can be expressed:

$$L = \text{active population} \times \text{employment rate} \times (1 - \text{unemployment rate}) \times \text{average number of effective working hours} \quad (1.4)$$

As regards the capital stock the perpetuity method was applied:

$$K_t = K_{t-1} \times (1 - d) + GFCF_t, \quad (1.5)$$

where K_t represent the capital stock of the year t , d – the depreciation rate, $GFCF_t$ – gross fixed capital formation of the year t .

In this paper we started from the capital stock of 1995 as estimated by AMECO (as from Derbyshire, et al. (2010)) and a different depreciation rate, depending on the position of the economy on the cycle.

The dynamics of the multi-factor productivity was estimated by applying the Hodrick-Prescott for the PTF_t , determined by the following relation:

$$PTF_t = Y_t - \alpha \times L_t - (1 - \alpha) \times K_t \quad (1.6)$$

In this paper $\alpha = 0.65$, a level also used in the paper of D'Auria, et al. (2010)). In a paper of 2012 the European Commission considers α as the weight of the wages in GDP in the EU (15) countries between 1960-2000 (a level of 0.63).

The macroeconomic variables can be expressed as a sum between a structural component (Y_t^*) (which depends on structural factors) and a cyclical one (Y_t^c).

The econometric filter Hodrick-Prescott is one of the most used methods to distinguish between the structural and cyclical components of the macroeconomic variables, based on the following relation:

$$\text{Min} \sum_{t=1}^T (\ln Y_t - \ln Y_t^*)^2 + \lambda \sum_{t=2}^{T-1} ((\ln Y_{t+1}^* - \ln Y_t^*) - (\ln Y_t^* - \ln Y_{t-1}^*))^2 \quad (1.7)$$

where Y_t , Y_t^* and λ represent the GDP, the potential GDP and the smoothness parameter.

At the same time, this paper applied regressions and ARI-MA models in order to calibrate a core macroeconomic scenario for the Romanian economy.

Mid-run outlook and challenges for Romania

According to the results of the econometric analysis the growth pace of the Romanian economy would decelerate in the following quarters and return to negative output gap in 2020, due to the rebalancing of the policy-mix and to the end of the global post-crisis cycle

However, the convergence process towards the EU average would continue in the mid-run (Romanian GDP to increase by a higher pace compared with the EU), as the main/strategic investors are expected to consolidate the presence in Romania.

Furthermore, the levels of the deficits and the dependence on foreign financing are low compared to the pre-crisis period.

For the average annual inflation we forecast a gradual convergence of inflation towards the NBR target – average YoY dynamics of 3.9% in 2019, 2.9% in 2020 and 3.3% in 2021 (HICP).

However, the inflationary pressures to remain high in the short-run, given the labor market tensions and the depreciation of the RON.

In this context, the central bank is expected to tighten control over money market liquidity in the short-run.

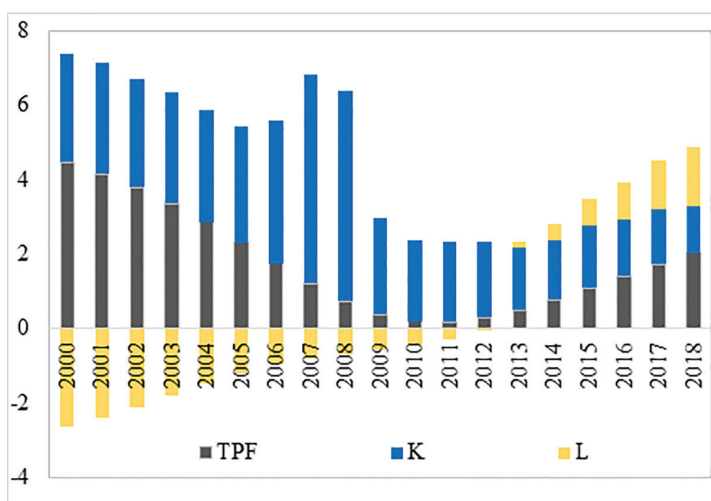
Furthermore, the forecasts show an increase of the financing costs and the depreciation of the RON in the following quarters, given the dynamics of inflation and the challenges in terms of macroeconomic equilibria and policy-mix (including the fragile stance of the public finance).

Among the main risk factors for the evolution of the Romanian economy in the short-run we mention: the global and European macro-financial climate, with impact for the capital flows directed to the emerging markets; the economic policy-mix and the public tensions in Romania; the regional geo-political climate.

Conclusions

Romanian economy is expected to continue the EU economic convergence process in the following years, a scenario strongly supported by the improvement trend for the contribution of the production factors to the dynamics of the potential output.

Figure 6. the contribution of the production factors to the YoY dynamics of the potential output (percentage points) in Romania



Source: own estimates, based on the methodology and using Eurostat data

However, an acceleration of the process is dependent on the implementation of a balanced policy-mix, more focused on structural reforms implemented on a continuous basis, instead of pro-cyclical policies.

At the same time, the economic policy lacks maneuver room in the case of incidence of shocks, in a period dominated by the accumulation of maturity signs for the global post-crisis cycle.

Last, but not least, there can be mentioned several policy-mix uncertainties in Romania: the discontinuity of reforms, the fragile stance of the public finance, the increase of the state intervention in the economy counterbalanced by the excess liquidity.

Overall, despite the recent increase of the wages the labor force continues to be cheap compared with the EU countries.

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Western Balkans, Reforms and Eurointegrations¹

Abstract

The subject of this research is the processes of transition and reform in the Balkans and integration into the European Union (EU). These processes have their historical, political, economic, social causes and consequences. The efforts and efforts to integrate the countries of the Western Balkans (WB) into the European space are emphasized. The question is: can the Western Balkan countries help each other in further regional and European integration? The assumption is that the knowledge and experience gained so far about the aforementioned integrations is poorly used, but that there are realistic social and economic assumptions to accelerate the reforms of these societies. The countries of the Western Balkans should learn from the positive experiences of EU member states, but also adapt normative and other solutions to their own social circumstances.

Furthermore, the authors refer to the emergence and meaning of the term Western Balkans, which came to the limelight from the beginning of the 20th century, and revived in the last decade of the same century, when it is most commonly used to denote an atmosphere of intolerance, hatred, conflict, war and division. Such an atmosphere dominated the breakup of Yugoslavia and resulted in the warlike dissolution of society and the common state. These processes are an obstacle to the reforms, democratization, economic progress and European integration of the Western Balkan countries. However, the intense work and desire for EU integration in recent years, in these countries, have contributed to making conflicts in the past a barrier to further development.

Keywords: European Union, Balkans, integration, peace, transition, rule of law

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Introduction

■ The beginning of the transition of the Balkan countries, in literature, began with the fall of the Berlin Wall. From an economic and sociological point of view, major changes in the economic and social structure of the Balkan countries began before 1990, but have accelerated and deepened over the last three decades. During this time, both the international environment and the European Union itself were changing. Overall, the transition direction of these societies marks the transition from a self-governing / state socialist system to capitalism. The manner, pace, characteristics of the main entities that governed the society are different, but their strategic goals were as follows: to create a market economy, a multi-party parliamentary system and the rule of law. For most of them, the strategic goal was to join the EU, but the pace of achieving this is different from country to country.

How did Serbia move forward? The key point was that as “the country of the heavenly people finally descended to earth” and began to solve real problems. To look at the domestic and international situation and position, which she began to work on herself, on her own changes, while recognizing weaknesses, ignorance and her own shortcomings. Then it was revealed how great the job was, and that it would not be done quickly or easily. In addition, the issue of inter-regional relations in the region has been raised, but also closer ties with all EU countries as well as non-EU countries such as the USA, China, Russia, Turkey, Israel, BRIXA countries and many Arabian countries. It was her own firm determination to develop the country economically and for its citizens to live “like all the normal world”? She realized that no country can develop economically with human resources that do not want to work and develop, with young people being allowed to live in illusions, and youth is prone to it. When events are thus viewed, what does globalization and the fall of the Berlin Wall have to do with it? Enough of this is the country itself, in ourselves. But it cannot be overlooked that there have been various international pressures, for which there are many facts and evidence, about which much has been written. Wise Japanese once said, “50% are guilty of our own fault, and 50% of our own fault” (Shinici, 2013).

The countries created by the breakup of the second SFR Yugoslavia are Serbia, Macedonia, Bosnia and Herzegovina and Montenegro (without Croatia because it is already in the EU, Slovenia although the former SFRY country is also in the EU, but it does not belong to this name because it is a country of central Europe) and Albania, today politically referred to as the Western Balkans.² Albania belonged to a different type of real-socialism than the SFRY and was one of the least developed countries. Depicting privatization of social / state property, de-industrialization, old and new economic and social inequalities and poverty of employees and other citizens, as well as lack of rule of law, along with old and new conflicts, are considered as the most important structural obstacles to the development and acceleration of European integration. In addition, the existence of corruption is an indirect indicator of the absence of the rule of law. However, respect for rights and human freedoms are some of the most fundamental values that the EU requires from future members. These are some of the factors that are essential for regional cooperation and integration, without which the economic and social progress of these societies is difficult. However, the term “Balkanization” is multi-layered and has different dimensions (economic, historical, political, cultural). Mary Todorova wrote more about this and pointed to numerous stereotypes about the Balkans. She also emphasized that since the 1990s it has gained pejorative and ideological significance (Todorova, 2015: 22). The name was created after the Balkan wars at the beginning of the XX century, and with the wars of the 1990s in this area it gained new content and importance. Its essence concerns the fragmentation of societies, separatism, division, aggravation of conflicts, the rise of nationalism, local and civil conflicts and wars, after which non-volatile societies and states emerge. This has led some authors to point to disintegration processes in the EU (Brexit, for example), as a danger of the “Balkanization” syndrome of that community (Dedovic, 2017; Srncevic, 2012).

² These countries and the people who live in them have much in common, though there is no talk of creating something that was the former SFR Yugoslavia. The name Western Balkans itself is more of a political name.

The European Union and the Western Balkan countries

However, just after World War I, someone noticed that the “Eastern Question” was in fact a “Western Question”, so now the “Balkan Question” is more than ever a “European Question”. Since Thessaloniki in June 2003, the accession of the Western Balkan countries to the European Union has become a formal political commitment, although the EU itself has wanted enlargement to the east. However, it turns out that the big difference between Central Europe and the Western Balkans is that the WB lost ten years in the wars of the 1990s. However, with the end of the conflict and regime change in Serbia, the EU has become a key international player in the Balkans. However, it must be noted that there is disagreement on the views of EU Member States with regard to resolving the Kosovo issue and recognizing Kosovo. In the Western Balkans, the Europeanization of society has been under way in the last two decades, though in Kosovo and Bosnia and Herzegovina the US continues to enjoy greater credibility than the EU. Also, Putin’s Russia, relying on Orthodox Serbs, tried to gain a major role in the Balkans in those same years. Putin’s visits to Serbia reinforce co-operation but also strengthen bilateral relations in the energy sector. Also, the factor of influence is Turkey, which wants to strengthen its influence in the Balkans again, working together with Bulgaria, Greece and Serbia to overcome old animosities. Turkey’s policy cannot weaken the EU’s influence in the Balkans, as the EU helps countries in the region consolidate and tackle trade and communication issues. International relations are renewed, trade and links between companies also. When looking at Serbia, Macedonia and Montenegro, progress has been noted in economic reform and regional co-operation, although there are still “concerns” about the rule of law. However, the difference between the countries of Central Europe and the Western Balkans, apart from the time lag, is the issue of state building, defining borders, democratic consolidation, which will make it a sovereign state. Thus, the EU emerges as an effective factor in integration, a factor of restoring stabilization, as a factor of regaining the capacity for co-operation (which entails the question of building institutions and state capacities to exercise the rule of law of all citizens of a country). The

proximity and involvement of EU Member States is useful as they can help mediate the Europeanization of the Western Balkan countries, thereby mediating the enlargement process automatically. However, the issue of the "Cypriot lesson" implies that the EU does not want to transmit state conflicts to its territory, but wants bilateral conflicts resolved before integrating into the European space. Subsequently, other issues, such as the rule of law issues such as corruption and nepotism, are the focus. The main sources of these phenomena are the "legacy of socialism" - social capital in this case means corrupt networks to circumvent the law; "War economy" - bypassing the embargo on cooperation with organized crime; 'Market transitions - which are non-transparent and highly corrupt; and "the use of political employment" - to impose party goals as national (Rupnik, 2011: 19 - 27).

Nevertheless, the Western Balkan countries are connected by a long shared history and the organization of life in the same area. What these countries need now is integration of their neighbors into a broader, European context. The countries of the Western Balkans have a burdensome relationship with the problems that arose during the war of the 1990s, and especially with regard to the succession issues of displaced persons, although pressured by internal economic and political problems. However, regardless of the EU, Serbia had to embark on processes of reforming society and embracing European values. The EU's role would only be to support these processes and to consolidate them. The will, the decision, the reform must be the decision of Serbia, for its own sake. The countries of the Western Balkans, as well as the entire Balkan region, have one common dominant political goal, which is to become part of the EU. This idea has brought progress in relations with one another, leaving conflicts behind, and showing a strong desire to normalize relations and life between WB countries. They should not miss this last chance (Kovacevic, 2010: 49–51).

However, the world is in deep change, the EU is changing, the US is changing, and Russia is changing, China is changing, other countries are changing, for example, Turkey, but also Serbia. What is the path to creative renewal and flourishing of Serbia? Does the US-Russia bidding for Serbia contribute to leaving the EU? Or perhaps the most significant is that Serbia has taken a route with Paris

and Berlin and is moving at the speed of “modern trains”.³ (Pantelic, 2010:73-75). “One world is disappearing, edited from one center. A polycentric structure of the world is being born, instead of the clash of civilizations - the cooperation of civilizations, new relationships are emerging between globalism and the national structure of the world ”(Markovic, 2010: 13).

The European Union and its foreign policy in the process of its own transformation and/or evolution, must face two of the most important challenges, namely security and energy. Namely, the risk of production and use of weapons of mass destruction has become greater due to the efforts of individual countries to produce nuclear weapons. Thus, the EU conducted negotiations between Iran and North Korea at two levels, levels of dialogue and levels of pressure. In addition, the issue of energy security indicates that the EU does not want its citizens to pay for the Russian-Ukrainian dispute or for them to suffer gas shortages. Climate change, increasing natural disasters, and environmental degradation and conflicts over natural resources and warming the earth, on average, are 1.5% significant. For these reasons, the European Union is today a powerful global player in all fields of international politics, from economy, energy, diplomacy and defense. Because of its magnetic and soft power, it is today a civilian superpower without which the United States can hardly meet key global challenges (Ejdus, 2010: 39 - 41). Many countries, such as the US, Japan, China, and the EU, have offered a reduction of around 25% of uncontrolled planet pollution. Countries also agreed that the participants in the Copenhagen summit, seeking to reduce their emissions by 50% by 2050, from the 1999 level. The issue of protecting forests in Brazil that absorb 20% of carbon dioxide was also a particular issue. The EU’s active work on protecting the environment from emissions of fossil fuels, protecting fossil fuel consumption, suggests that it is “the only one with the rules, commitment and realistic mechanisms to achieve those goals” (Ilić, 2010: 41–44).

The EU itself has had its crises. Specifically, the economic crisis in the EU member states was caused by maladaptation to globalization, and was further exacerbated by the 2008 global finan-

³ The two strongest EU countries are Germany and France (author’s remark).

cial crisis. Another type of crisis was the institutional crisis of EU identity in the adjustment process. So the political crisis. However, what is important for Serbia, and for all Western Balkan countries, which is seemingly unfavorable, has been the tightening of the criteria for EU accession. The WB countries have problems of economic underdevelopment, lack of rule of law, high corruption, organized crime, and a particularly critical issue for Serbia is the issue of Kosovo and Metohija. All these countries are undergoing a transition "from real Soviet-type socialism to Eurocapitalism" (Teokarovic, 2010: 53-55, 59).

The parties in power in Serbia, the SNS, the SPS and those of the opposition (DS) have united on the pro-European issue. Thus began the consolidation of democracy in Serbia. But one key issue that hampered Serbia's economy was de-industrialization, massive job losses, declining foreign direct investment, long-standing interest from the rich and influential, a phenomenon known as the "captive state", the removal of regulations that hamper private business development and prevent corruption and one general inability to respond to the situation and the demands of the times. It is only in the last year that some elements of improving the standard of living of the population can be seen, the unemployment rate is below 10%, bad coordination within the government has been eliminated, and the process of Serbia's EU integration is accelerated. Thus, Serbia has taken a leading role in the region on many issues, such as the construction of the IT sector, the growth of FDI, and the rate of economic development. Military neutrality was proclaimed, the development of bilateral cooperation with China, Russia, Turkey, the development of regional relations with Hungary, Bulgaria, Albania. Today, Serbia has sixteen recognitions of Kosovo's independence withdrawn and is actively working to make the world aware of Kosovo's unjust secession, which was also illegal and which sets a precedent in international law (Teokarovic, 2011: 61-62). Serbia faces many illogicalities, but it can be said that it has overcome many problems and is taking major steps forward. WB countries have small economies, and as Prof. dr. Domazet⁴, they

⁴ Oral presentation at the Conference "Peace and Democratic Multilateralism", 2019 ECPD, Belgrade.

need a new model of economy, new development, new social reality, new democratic politics, new institutions and new ideas.

Today, the governments of the Western Balkan countries are led mainly by “moderate nationalists” whose task should be a reform process that will overcome the issues at stake in order to complete the process of joining the EU region. Thus, European reform is not viewed as something external, but as the homework of every 19th-century European democratic society. Furthermore, “the EU is committed to transposing its model of peace through institutionalized interdependence in the Balkans,” though in real terms, the delayed process of nation-building in these areas. These items are an obstacle to the development of these countries themselves. The development of national policies in the Western Balkan countries, which are territorially small, is important for themselves and for the EU (Rupnik, 2011: 28).

The people of the Balkans do not want to jeopardize their progress, they do not want to return to the old days of hatred and evil. The only way out of the crisis is that violence must be replaced by diplomacy, that is, negotiations that must be pragmatic and guarantee peace, in order to change the Balkans’ outlook. An era of mutual co-operation, but also co-operation with EU-led Western policies, is desirable. Serbia is today a major factor in stability in the Balkans, precisely because of the future of Bosnia and Herzegovina and Kosovo.⁵ The EU is leading the final stages of transition in the Balkans, and Belgrade is particularly praised for having contributed to the rise of democracy, although the focus remains on practical economic and legal issues (Abramowitz, 2014: 174 - 177).

Nevertheless, the European Union is entering a new phase of political development, and should increasingly be viewed as a whole (Radovic, 2010: 61). To this end, the EU has developed a new European security strategy. “From a common vision to a joint action: implementing the EU’s global strategy” is in fact the catchphrase the EU launched when defining its “EU Foreign and Security Policy” (EUGS). It actually served as a springboard for the EU to raise the issue of further European in-

⁵ For example, Albania and Kosovo have the highest share of households in which one family member is employed in one of the EU Member States (Manchin, 2011: 165).

tegration and the survival of its member states after the UK referendum. Many doubted that the EU would survive after Brexit. However, the EU was consolidating very quickly and rapidly moving towards security and defense changes, with the creation of a new EU Military Training Command Center. In addition, the EU seeks to remain a global power and become a security zone for its citizens, and is committed to peace and development worldwide. Cooperation with the United Nations is very important because of climate change and sustainable development. Because in a world of great powers and constant global challenges, the EU can only survive as a community, because the largest markets in the world, its member states individually and collectively, invest the most in development cooperation and only in that way can they effect change. The emphasis is also on preventing new wars, humanitarian disasters, refugee crises and seeking a new approach to crises. The constant conflicts in the world, the threat of terrorism affect the everyday life of ordinary citizens. What the EU insists on is cooperation with countries of origin and transit to better manage migratory flows, and a proposal to draw up a global treaty on refugees and migrants. The “whole of the EU” is that it is “global”, “security”, using other foreign policies such as enlargement, development and trade, migration, energy, climate, environment, culture. The implementation of the EUGS objectives entails a strong and united Union, with respect for regional and geographical priorities. The EU has placed a particular focus on developing peace and respect for neighborhood relations in the WB so that these societies can recover, adapt and respond to development and crisis challenges. The resilience of these countries strengthens EU financial support for their reforms, the fight against corruption, the improvement of public administration, the judiciary and support for civil society (www.eeas.europa.eu/topics/eu-global-strategy/49750/eu-global-strategy---year-1_en, date).

For these reasons, it is not surprising that when seeking support for a fresh start to the EU, Ursula von der Lajen took the Western Balkans as her first point of presentation (www.telegraph.co.uk/news/politics/3126334-door-eu-open-to-west-balkan-fon-der-lajen-seeking-support-for-a-new-start-europe/).

Transition Characteristics: The Path from the Socialist to the Capitalist System and the Rule of Law

With the disintegration and disintegration of the SFRY and the Eastern bloc of the re-socialist countries, in the specific geopolitical international circumstances, each of the newly created states embarked on their own path of changing society. The processes of changing economic and social structure are marked by the term transition (Novakovic, 2017: 48-52). Controversies over its content do not end to this day, but the fact is that these changes have changed the entire social structure.

Tranzition of society

It was based on changes in ownership of the means of production and then on the existing political, educational, health, social and cultural subsystems. This meant creating a new class and new layers of the structure of society, whose interests were woven into the concept of transition and privatization. The basis of the legitimacy of government was also changing, and the old ideology gave way to (neo) liberal ideology. Instead of the ruling working class, the capitalist class is in the forefront with the transition. Also, work as an important social value is viewed in the context of profit, and resources are used purposefully. The one-party system was abandoned, in the name of the multi-party system, and state governance of the economy and society was pushed to the sidelines. The state was given a new role, determined largely by the ideology of neoliberalism. The consequence of these phenomena is the dissolution and disappearance of the welfare state system, ie. material and social security of citizens based on socialist distribution. According to Branko Horvat, the average social standard of citizens of socialist Yugoslavia was above the level of some Western European countries⁶ (Horvat, 2002). The dynamics, manner and success of the transition of society were determined by the way in which the new states emerged and the earlier achieved level of social and

⁶ Hence understanding why regrets of past times in certain sections of the population.

economic development. The international factor became more and more important during and after the conflicts in the Balkans.

A positive example of transition is Slovenia, which has economic independence even though it is a small country. Slovenia has successfully transformed its economy. In the first years of market transition, there was a gap because there was a surplus of employees and the need for them was reduced (Maksimović, 2004: 143). Namely, Slovenia has a small domestic market, and it cannot achieve economic development without active foreign trade. The economy is open-ended, it has managed to retain the core sectors of business companies, the R&D sector, the banking sector. Until the global financial crisis of 2008, the country managed to keep finances well balanced, with a smaller deficit, external debt was low, and so were public debt. Its good economic results are supported by the international competitiveness that the Slovenians are particularly committed to. An additional strength is the application of design in industry (Yama, 2019: 135). Before 1990, Slovenia was the most developed republic of Yugoslavia in terms of GDP, and Macedonia belonged to the underdeveloped (Mihailović, 1993: 35). The former had a "small war" with the JNA, gained independence and reached the GDP level most rapidly since before the transition began (Torkar et al. 2018: 174-198). In 2004, she joined the EU. Macedonia avoided the Balkan wars of the 1990s, but not the processes of national conflicts and disintegration and instability. In Albania, there was no civil war, but the change of political elites in power was a relatively successful transition, so much so that they considered it to be the "leader of the Balkans". It is well known that Albania has a number of customs barriers that it manages to protect its market. (Teleskovic, 2018). This is what it looked like at one point because Albania has had more successful economic development throughout the transition, which is only partly explained by the low starting base.

Furthermore, the transition concepts of the Balkan societies differed, but were dominated by two. The first is a "gradual or gradual" and the second a "fast or shock" transition. Slovenia (and Hungary) applied the former, and the above mentioned WB countries the second. Slovenia gradually implemented the reforms, retained more elements of the old system and cautiously opened and

liberalized itself from the outside (Mencinger, 2002). Other countries practiced “shock” or rapid transition. At the core of this concept is the so-called. Washington Consensus, the embodiment of the essence of neoliberal capitalist development (Bukvic, 2011). Thus, the dominant influence of the international financial institutions that imposed it on the indebted Balkan countries was realized. With all the danger of a simplified interpretation of the Washington Consensus, the following processes can be cited: rapid and universal privatization, liberalization of foreign trade and reduction of customs duties, and withdrawal of the state (deregulation) from the economy and the most important spheres of society. For politically deprived and economically impoverished countries of the WB, this has proven to be a pernicious model.

However, the views of researchers and others on the success of the transition of WB countries are different. As a rule, international creditors consider it necessary, not fast enough, relatively successful, and most WB citizens are disappointed with the incidence of mass poverty and unemployment (Sadiku, 2013; Šućur, 2006: 237). There are other indicators of transition, such as the growth of public debt, the demographic breakdown of their societies, and the economic and other dependence of citizens and society on foreign factors. Unfortunately, the lower classes and strata appeared, unjustifiably, and in recent times encouraged by new opportunities, ie. community life that threatens the security of employment, treatment, education and, in general, the safety of the individual and his or her family. The capitalist class and parts of the middle classes consider it successful, not slow enough, and would prefer, on behalf of European values and at any cost, sometimes brutally to protect their interests by law. In practice, this is often far from the rule of law, which, among other things, implies the equality of all before the law. The EU institutions’ assessments of the reforms in the WB are particularly negative in the area of the rule of law.

Unlike the mentioned countries, Croatia and Bosnia and Herzegovina had a civil war during the first five years of transition. BiH is still under international protectorate and is far from EU membership. Serbia and Montenegro officially split in 2006. In the first decade of transition, Serbia had UN sanctions and war events in its

territory, especially in 1999. Strategic decisions on how to move society played the largest role in the ruling classes and their elites, which were intimately linked to international centers of economic, military and political power. It also defined the concept of transition of society as a whole.

Corruption as an indicator of the absence of the rule of law

Ever since Welstaff Peace and Sovereignty of States, the rule of law and developed rule of law have been achievements that characterize developed societies and one of the most important conditions to be fulfilled by countries seeking to join the EU (Maksimovic, Petrovic, 2017: 216). Looking at the transition and privatization flows in WB companies, it can be concluded that they have not yet reached this level of development. This is evidenced by numerous examples of violations of existing laws, the absence of institutions that protect the interests of all citizens, or the frequent pressures and influences of the executive on the legislative and judicial branches. Building a rule of law in developed capitalist societies has been a long-term and decades-long process. In this, they are prevented not only by the historical, political and cultural heritage, but also by the relation of the basic classes in society. There was no social consensus among them about the form, pace and goals of society's transition, or even the rule of law. The society was changing rapidly, and the issues of reform and relations between the executive, judicial and legislative branches were delayed and slowly resolved. At the core of this are different class interests, to which external pressure from EU institutions could accelerate these processes. While the processes of the so-called the initial accumulation of capital and the creation of a new capitalist class were of no interest in passing firm and clear legislation that would treat all citizens equally. Advocates for such legislation, for example, come after the end of privatization and transition. The goal of the capitalist class is to protect acquired capital and wealth. By then, civic and business morale had already been seriously impaired, and corruption had become widespread and almost systemic.

According to Slobodan Vukovic, corruption is “a forced market transaction in which, by violating the principle of impartiality, the unlawful use of social position and power for the sake of self, family and group power comes to the full” (Vuković, 2003: 10). It has become a widespread and common occurrence in Serbia. In our society, but also in the environment, it is present in almost all areas of society. Due to the underdeveloped rule of law, it was further encouraged. Studies on privatization have shown that state institutions are susceptible to corruption, as well as to breaking the law (Maksimovic, 2013). They did this before, during and after the privatization of enterprises and institutions. Control by international institutions was absent or delayed and was detrimental to the interests of workers (in assessing the value of the company, controlling the implementation of the sales contract, disbursement of funds for the social program, continuation of production) (Novakovic, 2013). Opinion polls show that citizens are among the most corrupt in labeling health, public administration, education, the judiciary and healthcare. Healthcare bribe legalized in Serbia (Jeremic, 2019). Confidence in these systems is low and information from the media confirms that corruption is widespread in other societies in the region.

The poor legal order of society is also evidenced by the numerous procedures initiated by citizens before international institutions and courts. Even court judgments in favor of citizens cannot be enforced because they are the responsibility of the domestic authorities. On the other hand, a number of system laws have been adopted, which are formally in line with European standards, but are rarely rarely implemented or interpreted differently. The practice of passing such laws quickly, by urgent procedure and without a public hearing, has also become anomalous. Weak and conflicting unions and citizens’ representatives are powerless to withstand it. This was extensively reported by the media in the reform of labor and social legislation (labor law, pension system law). Failure to follow the legal procedure is just one example of the absence of the rule of law. Much more severe are the cases and the influence of the executive on the judicial authorities, when disputes are delayed for years or end to the detriment of the citizens who initiated them. The deeper causes of such phenomena are the

“reforms” of the judiciary and the judiciary, carried out to the tune of the ruling or dominant coalition parties in power. The rule of law would benefit all citizens. Public and public administration would be more efficient, cheaper and more responsible. Each individual would be protected in the same way by the law and before the courts. Confidence in these institutions would increase, and the need for myth and corruption would be reduced to a tolerable measure. WB companies are still far from it, ie. the rule of law and the developed rule of law.

Privatization of social / state property

The privatization of social / state ownership of the means of production is simplified in the division between winners (new elites, owners of capital) and losers (working class, recipients of social assistance). Fundamentally, property relations are paramount to the character of the economic and social system, and any fundamental change in that essentially means a change in the nature of society. It depends on the character of the class in power and the place of subordinate classes and classes in the social division of labor and in the creation and distribution of social power. During the transition, property relations were changing, and with them the class structure of society. Before the transition began, the views of Serbian citizens were divided between the western, market economy and the self-governing Yugoslav economy. For the former, almost half of the respondents were 49.6% and for the latter 47%. This attitude was expressed by two-thirds of political and economic leaders (Mrksic, 1990: 14). Of course, at the beginning of the transition, the essence of privatization was not openly discussed, and so often the emergence of capitalist social relations was masked by the euphemism of “open society”, “entrepreneurial society” (Bolčić, 1994). Privatization was practically completed in WB companies, and a new class structure was consolidated. “In short, some of the pipes of privatization are declaratively prominent, and in reality they have been achieved quite differently. The end result was the creation of a new capitalist class. The working class is systematically and permanently dispossessed, crushed, thrown into the poverty

zone and into the margins of society ” (Novakovic, 2017: 135). The ruling class and dominant political parties rarely publicly acknowledge that there are relations between working class exploitation, the dominance of the interests of owners and representatives of capital, and the emergence of a new owner of capital-state. She is still the largest employer in these societies, but also the legislator. The interests of capital, including the state, are woven into both the concept of privatization and the basic systemic laws (on labor, employment, companies, for example). This is a characteristic of all WB countries. They are often brought under pressure from centers of financial power, on the pretext that it is in the name of Eurointegration (IMF, World Bank, WTO). There was no serious and greater resistance from the citizens. They did not follow the experiences of the citizens of Slovenia, Hungary and Poland, for example regarding liberalization, rapid privatization and borrowing from the IMF. Light borrowing and poor investment in development have brought most ZB companies into a group that is indebted and increasingly dependent on global power centers.

Privatization in the former republics of Yugoslavia was conducted from the change of laws, federal and individual republics, to the change of ownership of the means of production, and then it was regulated by new and often amended laws (Novakovic, 2017: 103-107; Lojpur, 2018; Horvat, 2002; Čengić, 2000; Čučković, 2000). The result of the overall changes is that a market economy dominated by the private sector has been created. The tertiary or growth of the services sector has also been carried out, with the secondary sector experiencing the greatest changes. Namely, before the transition he dominated, both in the creation of the GDB and in the overall employment. After the privatization, there was a massive de-industrialization, the disappearance of large development companies and large industrial cities. The working class is therefore disintegrated. The massive job loss has further increased officially registered unemployment. “In a nutshell, deindustrialization led to the decay of most of the working class, as workers were left without jobs. Poverty, mass unemployment, greater exploitation and social inequalities have arrived ”(Novakovic, 2016: 750). This is only partially mitigated by activities in the illegal or gray economy, which is relatively high in the Balkans after 2008 and is

persistently represented (Vujović et al, 2013). One of the important roles of the informal economy is the amelioration of social tensions, greater social conflicts and the ability of the poorest citizens to mitigate their low material standard of living. Every country that joined the EU had to reduce this area to a tolerable level and restrict it by law.

Rapid privatization has created an economy in which most of the companies are privately owned, in which there is little and no legal restriction on monopolies, and foreign investors are favored over domestic ones. This is especially characteristic of Serbia. In addition to the sale of socially-owned enterprises, sales of publicly-owned enterprises, which are important for the quality of life of other citizens, have also come into play. In the final stage of privatization, national resources (water sources, mines, etc.) were also sold, which seemingly additionally leads to the creation of a subsidiary. Privatization funds went mostly to the state budget and then to spending, not investment for job creation. State institutions that led and controlled privatization at the WB, such as agencies, were strongly influenced by the executive and foreign institutions (Begovic, 2005: 224; Obradovic, 2005: 534). The legal restrictions on their operation were relatively weak, which went to the detriment of employees of privatized companies. This is especially characteristic in the final stages of privatization.

The goals and results of privatization at the WB are not significantly different. In these countries, there is a lack of a single human resource management model. The fact is that transition countries and their economies have moved from a central administrative system to reforming countries with basic market principles. Realistically, it was also a way of transforming large and outdated industrial sectors (Maksimovic, 2004: 140). A market economy has been created, in which there are monopolies, unfair competition, state interventionism for the benefit of the capitalists, and it is far more developed than the EU. No new jobs have been created to alleviate high unemployment and stimulate economic development. The proceeds from privatization are very small, sometimes below the level of annual remittances of citizens from abroad. There was also a lack of investment in innovation, research and education in general. WB countries invest little in inno-

vation, which indirectly contributes to the low competitiveness of the economy relative to others. (Krstic et al. 2016: 1035). The new private sector is fragmented, not sufficiently independent of the state, without the ability to accelerate faster development of the economy and society. Government subsidies are most often targeted at privileged domestic entrepreneurs and foreign multinationals. A consequence of the neoliberal concept of transition is the absence of an independent economic and monetary policy. Democracy is not yet consolidated, and for it the presumption is the existence of a state (Linz et al. 1998: 35). This is increasingly being pointed out by EU representatives.

The new capitalist class and the introduction of parliamentarism

The new capitalist class in countries in transition is by its origin, education and the power of heterogeneous composition. It arose largely from the nomenclature (economic, military, intellectual) of the former ruling and sole parties. Other sources of emergence are the remnants of the former civic class, followed by private and private sector entrepreneurs, people who made a fortune through the privatization process, but unfortunately war profiteers and speculators (Bolcic, 2006: 42; Bolcic, 2008: 82; Obradović, 2017: 90; Novaković 2006: 129-152; Lazić 2014: 69-98; Sekulic et al, 2000: 1; Cengic, 2000). Their primary interest is the creation and appropriation of profits, as quickly as possible enrichment and its legal protection. Opposite this capitalist class was the mass of labor, dispossessed of means of production, peasantry, and middle classes. Their material and overall social position is significantly different, and conflicts between and within them are open and covert, of lesser or greater intensity, depending on specific social and political circumstances. It is also a means of controlling the citizens who are the biggest losers in the transition, and who often vote in political elections for the parties who encourage it.

Changes in the political system boil down to the introduction of parliamentarism, in which the proportional system of elections is dominant (Djukanovic, 2006: 529). Political parties are

weakly socially entrenched and the state “weak” (Stojiljković, 2013: 135). The findings of relevant research in this area lead to the conclusion that it is a weak democracy and an unstable system, in which political corruption is also present (Goati, 2016: 4-10; Stojiljković, 2013: 135). This is far from the set ideal and goal of the parliamentary system in developed EU societies. Indirect evidence is the occasional public outcry of citizens in the WB (some examples are BiH 2014, Albania 2018, Macedonia 2017 and 2018). Citizens have little confidence in the ruling elites. They are disappointed with their actions, political and civil liberties achieved, and especially the quality of life achieved. This can be a factor in the coming to power of parties that are against regional and wider integration of society, or an important brake on those who are able to get in and out more quickly and effectively in EU. Therefore, the incentives that the EU encourages economic and other societal reforms are important as a prerequisite for joining this community.

Poverty, economic and social inequalities

Economic and social inequalities and poverty have become limiting factors in regional and European integration. The achieved level of development of WB countries during the transition is evidenced by inequalities in wages, distribution of total income, poverty of citizens, as well as data on GDP growth, share of industry in its creation, amount of investments, indebtedness abroad, open and hidden unemployment and demographic structure of the population. GDP growth was slowed down at the beginning of the transition, ie. in the tenth decade of the twentieth century because of the so-called transition recessions (Marjanovic et al, 2019: 52-56). The more successful countries outperformed it faster, while Serbia only began to recover after 2000. Of all WB countries, this recovery was the slowest in it (Begović, et al, 2005: 41 - 46). The 2008 world economic crisis has further hampered the development of these societies. Unemployment in the region was high due to the completion of privatization, and in 2008 it increased further. Changes in the labor market should be such as to accompany the creation of occupations in line with market needs. Thus, investing

in on-the-job training is the greatest competitiveness and opportunity for innovation. Modern societies are based on the “knowledge economy” (Maksimović, 2014: 167). Furthermore, the debts of the citizens and the state increased, so that the former republics of Yugoslavia had long exceeded the public debt of the country before its dissolution. Inequality in the distribution of income and in the size and patterns of household consumption has increased rapidly and strongly. The Gini coefficient has increased in all WB countries (Arandarenko et al, 2017). The income inequality measured by this coefficient has grown the fastest in Serbia. Layering has taken on a large scale, a relatively small elite of 5-10% of the richest citizens stands out, and the majority of the population is poor (Lazić, Cvejić, 2014). In that sense, the situation in Macedonia and BiH is somewhat worse.

Relatively low population activity and employment characterize WB countries. It is far from the EU average. Mass unemployment is structural and is only partly mitigated by the mass departure of citizens from outside the country. In particular, there is a high unemployment rate for young people and those seeking long-term employment. The problem of low activity of older working age persons is becoming more and more pronounced, which is behind the EU member states (Eurostat, Unemployment statistics). Finally, each WB country has its own specificities, regional, political, cultural, religious and confessional particularities. They are often the cause of social tensions and conflicts, which is a disruptive factor in the development of both regional and wider integrations of society.

Poverty in WB societies has become structural, as a normal and logical consequence of the emergence and functioning of capitalism (Wallerstein, 2016). One of the most important causes of poverty growth was the clumsily implemented privatization of social / state property. The second, no doubt, is an attempt to quickly realize the neoliberal concept of society transition. The third concerns inherited problems, and only in the fourth place are the impacts of the global economic crisis. The situation of poor citizens, for example, has not improved much during the transition of Serbia in the last ten years. Official statistics also testify to this (Mladenovic, 2017: 12-13). Many of them lost their jobs during privatiza-

tion, or could not find regular employment for years. Otherwise, in times of economic growth and prosperity, the interests of the employer, employees and governments differ, and this is especially pronounced in times of crisis (Maksimović, 2014: 166). A significant category of “new poor” were also employed workers who did not receive rent or were occasional and insufficient for a decent life. They are often voters for political parties that use populist rhetoric (xenophobia, nationalism), and which is often directed against the European integration of society. This further slows down the stabilization of the democratic order while fostering internal and external tensions and social conflicts.

Instead of a conclusion

The paper outlines the most important processes occurring in the EU and the WB. They highlighted current problems in the functioning of the EU and new initiatives in this regard. The EU has a special place in the changed world of political, economic and military circumstances. New opportunities for EU functioning and its potential to encourage other countries to join it were also highlighted. First and foremost, these are the Western Balkan countries.

The term Western Balkans came into being on specific social and historical occasions after the Balkan wars. It was later used less often to bring the wars back to political and other public attention with the wars during the breakup of the SFRY in the 1990s. Its essence is to strengthen the nationalist and separatist movements, which led to the dissolution of the larger social and state community. The breakup was not peaceful but through war conflicts, mass destruction and material and human loss. Subsequently, small, not sufficiently independent states emerged, highly conflict-ridden, burdened with the same problems, without greater potential to tolerate others, especially those with which wars were waged. The burden of the “past” bothers them to accelerate economic and social development in general, making it difficult for them to integrate into the regional and wider environment.

The Western Balkan countries (Albania, Bosnia and Herzegovina, Montenegro, Macedonia and Serbia) have so far completed

the transition of society. They also ended the privatization of social / state property over the means of production. Each of them had specific problems, which through the transition were solved or complicated (debts, unemployment, inequalities). They all accepted the neoliberal concept of transition (Serbia after 2000), and the results are similar. This is exemplified in building a market economy, parliamentary democracy and the rule of law. A capitalist class was created, linked to the global capitalist class and the world centers of economic, political and military power. The once nominally ruling working class was set apart. At the forefront is the interests of the capitalist class, which defends itself by all means, from law, corruption and bribery to open social conflicts and war events. Privatization was the material basis of this. The concept of transition and privatization were adopted under the pressure and control of foreign institutions. Its implementation has led to rapid and widespread privatization of enterprises, massive job losses, reduced rents and socio-economic rights of employees, increased official unemployment, poverty, the informal economy, and a deterioration of the morale of individuals and social groups. Fragmentation and inequalities in the position of employees and other citizens intensified during the transition of society. They have also become obstacles to the further progress of society, which through the transition has been de-industrialized, economically declining and financially indebted. Inequalities in citizens' political power are even greater than in the EU and in the pre-transition period.

The regional cooperation of the Western Balkan countries is a necessary prerequisite for their progress and integration into the EU. The changes taking place in the EU will largely determine the pace, manner, conditions and time of integration of these societies into the EU community of countries.

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Neoliberalism, Inequalities and Social Movements in the European Union¹

Abstract

The paper discusses the growing literature on the interrelations between neoliberal policy and rising inequalities in the European Union, and their impact to the growing social movements. The analysis shows that inequalities within the EU member states and between them are the results of the current EU policy due to fostering marketization, trade liberalization, privatization and financialization at the expense of social, economic and political rights of the majority. This trend has induced social movements to campaign and advocate for social changes. These civil society networks share same position in demanding transformation of the current 'market Europe' into 'social Europe'. Their proposals to counter economic difficulties are based on introducing transformative economies that 'works for people'. They advocate for alternative economic models, prioritizing socio-economic justice, gender justice, tax justice, food justice and environmental justice. Thus, their position is far from populist 'radical right'. The analysis also shows that these social movement networks may constitute corrective to democracy.

Keywords: neoliberal policy, European inequalities, social Europe, social justice, European social movements

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Introduction

■ On 17 November 2019, it was two years that the European Pillar of Social Rights was proclaimed by EU institutions and leaders in Gothenburg, Sweden (European Commission, 2019, 15 November). Delivering on the Pillar was a shared political

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commitment reiterated by EU Heads of State and Government in their New Strategic Agenda 2019-2024. In her political guidelines, the new Commission President-elect Ursula von der Leyen committed to putting forward an action plan to fully implement the European Pillar on Social Rights as a part of the broader initiatives for an economy that works for the people. The 2019 European Semester focuses on the three areas of the Pillar: equal opportunities and access to the labour market, fair working conditions, and social protection and inclusion. In its resolution of 16 November 2017², the European Parliament considered combating inequalities as a lever to boost job creation and growth and affirmed that inequalities threaten the future of the European project and can damage trust the EU as an engine of social progress. In response to the demands of leftist parties, trade unions and social movements, the discussion on the social dimension of Europe became the part of the broader debated around the Commission's White Paper on the Future of Europe. The European Pillar of Social Rights has been proclaimed by the European Parliament, the Council and the European Commission in 2017, at the Social Summit for Fair Jobs and Growth.

On the other side, statistics and data report on rising inequalities within the member states and between them (Eurostat, January 2019). The economic and social situation, and prospects for economic development are unequal. Several counties, mainly at the North, develop well, and other countries, mainly at the South, are countering economic difficulties, unemployment, debts and weak outlooks for economic and stable growth. In addition, the current trend of mass migration brings a lot of issues that the countries have to deal with. The Brexit has fuelled a wide debate about the future of the European Union. As a consequence of all these tendencies, a general sentiment of insecurity is shared by the people (Villain-Gandosy, 2017: 74). Recent years witness rising citizens' discontent, Euroscepticism, the radical right and populism in many member

² European Parliament resolution resolution of 16 November 2017 on combating inequalities as a lever to boost job creation and growth (2016/2269(INI))

states. The analysis of the result of the recent elections to the European Parliament in May 2019 indicates that large part of the vulnerable in society, those who have strong concerns about relative deprivation, and feel uncomfortable about the erosion of the welfare state and increased inequality, “are casting their votes in favour of Populist on the left (with their economic perspective) and in particular on the right (with their more socio-cultural perspective” (Jun, 2019: 55). The causes of the rising Euroscepticism, populism and the radical right may be found in increasing discontent of the many with the EU policies, which also fuels social mobilization in the rise in different countries.

This paper examines two hypotheses. The first one is that the increasing inequalities in the European Union, caused by the prevailing neoliberal policy, contributed to the growth of social movements across Europe. The second hypothesis examined is that these social movements, fuelled by the rising discontent of citizens, contributed to increasing Euroscepticism and the radical right. The applied methodology is based on the desk research, review of the collected data, statistics, surveys, research, literature and reports, and the qualitative analysis of the collected information. In this paper, neoliberalism is considered as a state strategy / policy, in order to distinguish this term as an ideology and as a process. The objective of this paper is to point out the main findings of the analysis.

European inequalities

Over the last decade, inequality within member states has become much researched issue (Dauderstäd, 2017, 17 May). Its reducing is a target the European Union has set itself in its treaties and monitors through its cohesion reports (European Commission). In 2017, median equivalized net income varied considerably across the EU member states, ranging from purchasing power standards (PPS) 5.239 in Romania to PPS 28.820 in Luxembourg. The EU-28 average was PPS 16.748 (Eurostat, January 2019). Median equivalized net income fell, in real terms, in 2 out

of the 28 EU member states in 2017 — they were Sweden and Belgium.

Official statistics show that no substantial worsening have been observed; however, this applies only to relative inequality, which indicates the income of richer people, regions and countries as a multiple of that of poorer ones (Dauderstädt & Keltek, 2017). In their comprehensive study on inequality in Europe, Dauderstädt & Keltek (2017: 2) have concluded that it was relatively stable, and absolutely alarming: “If one looks at the absolute differences between the higher and the lowest incomes, an alarming increase in inequality is to be observed in Europe”. This increasing trend of the European inequality is the result of changes in income distribution within and between the countries; inequality between member states is higher than inequality within them (Dauderstädt and Keltek, 2017: 3). Even in traditionally egalitarian countries – such as Germany, Denmark and Sweden – the income gap between rich and poor is expanding – from 5 to 1 in the 1980s to 6 to 1 today (OECD, 2011: 1). Dauderstädt (2017, 19 April) further explains that European inequality has not two, but three dimensions: within member states, between member states, and in the European Union altogether.

Statistics on living conditions show growing income inequality. Across all 28 EU Member States, the top 20 % of the population with the highest national net disposable incomes (the top quintile) accounted for at least one third of total income, a share that rose highest to 46.0 % in Bulgaria in 2017. By contrast, the bottom 20 % of the population with the lowest incomes together accounted for less than one tenth of all income, except in Czechia (10.3 %) and Finland (10.0 %). Luxembourg recorded the biggest fall in income share (-1.4 %) (Eurostat, January 2019). Statistics indicate that social transfers, the main instrument for the realization of welfare policies, played a major role by helping to reduce income inequalities. In 2017, social transfers reduced income inequality among the EU-28 population: the Gini coefficient for income (including pensions) was 51.7 % before social transfers and fell to 30.7 % after taking account of these transfers (Eurostat, January 2019).

The impact of pensions and other social transfers on income inequality was particularly large in Portugal, Greece, Germany and Sweden.

The comprehensive study of Blanchet, Chancel and Gethin (2019: 58) also shows that as a result of a limited convergence process and rising inequality within countries, Europeans are more unequal today than four decades ago. Between 1980 and 2017, per adult average annual pre-tax income growth was below 1% for bottom 50% earners, while the top 0.1% grew at a rate higher than 2% per year. The top 1% captured about as much growth as the bottom 50% of the population.

Social networks (ATTAC) claim that the European 'debt' crisis is basically not the result of government spendthrifts, inefficient bureaucracy or whatever else is produced as an explanation but is the result of an extreme disparity of existing wealth, and of a system that continuously intensifies these disparities. While public indebtedness is increasing, the private wealth continues to grow in value.

The figures indicate that private wealth grows faster than workers' income. According to the data of the European ATTAC Network (2013, 22 March), in 2011 the private wealth in the European Union amounted to 69.5 trillion euros. The private wealth is highly concentrated. The richest 1% of European society hold more than 30% of it, while the poorer half of the society has more or less nothing. Almost 142 million Europeans (out of around 500 million) are at risk of poverty (Dauderstädt, 2019, 15 January). National poverty rates vary between over 25% in Romania and less than 10% in the Czech Republic. The official Eurostat figure for the EU as a whole is 17.3%. However, if a proper poverty threshold is calculated, the figure comes out significantly higher, at 28.2 %.

Intra-country inequality is increased by welfare cuts, labour market deregulation and globalization. Inter-country inequality is rooted in complex causes with historical, social, political and economic dimensions. And inter-country inequality is higher than inequality within them. Compared at exchange rates, the average per capita income of the richest countries is 10 times as high as in the poorest. And even more dramatic pic-

ture of absolute inequality emerges if one compares the average per capita income of the richest national quintile and the poorest national quintile. As data indicates, the richest national quintile is that of Luxembourg, with an annual income of almost 74.000 euros at exchange rates. The poorest quintile is that of Romania with an annual income of only 685 euros. The ratio is more than 1 to 100 at exchange rates. Probably the most important consequence is the high emigration from the poorer EU member states to the richer ones. Countries such as Romania, Lithuania and Latvia have lost about 10 % of their population. In the receiving countries, immigration has bolstered national-populist tendencies. Many researchers warn that the dynamics of inequality gives little prospect of reducing absolute inequality in the future. The recent drop in Europe's poverty and inequality rates is a welcome break from the stagnation of the preceding years. But, given the vast scale of the problem, which is underestimated in official figures, Dauderstädt and Keltek (2018: 4) estimates that it represents far too small a step in the right direction, and that "more decisive policies will be needed if the disintegration of Europe is to be prevented".

Inequality is particularly present in the peasant agriculture. In agricultural work small farmers are the majority. Only 2.7% of the total farms are large ones of more than 100 ha. They control 50% of the total agricultural land in the European Union, but Eurostat data show that they produce only 11% of total agricultural outputs. The remaining half amount of land is shared among 97% of farmers (almost 12 million farms) (European Coordination Via Campesina, 2017, 19 July). Data show inequality regarding the distribution of the aid, as the main beneficiaries of the Common Agricultural Policy (CAP) are large farms and big agrobusinesses. About 80% of the CAP aid goes to about 20% of EU farmers, those with the largest holdings (European Coordination Via Campesina, 2017, 19 July). As a consequence, small farmers' income decreases, and one third of small farms have disappeared in the last decade because unable to survive. Meanwhile, land in the hands of large farms is increasing. Rural waged workers, women, migrants and youth

are among the most negatively affected by current adverse agricultural policies.

The comprehensive study published in 2013 (Franco and Borras, 2013) shows that Europe is experiencing tremendous and rapid land concentration, adversely affecting the livelihoods of millions of small-scale farmers and agricultural workers. Against these trends and in favour of alternatives, cross-class people's movement is growing. On the basis of the case studies in the Member States, the authors of the study conclude that there is a need for an agrarian reform in Europe, as well as to revise and reform the CAP due to the role it plays in fostering land concentration and an unsustainable agricultural model (Franco and Borras, 2013: 233). Civil society calls for real alternatives to the current model based on sustainable production of food through peasant agriculture, equitable access to land, with a particular focus on marginalised groups, and the sustainable use of natural resources.

The researchers for the EU-funded GINI project also say that growing inequality in Europe is a problem (European Commission, 2014, 2 June). The researchers have also found that in countries with higher income inequality, the poor tend to be less politically involved – meaning their interests are not well represented in democratic decision making. “The research shows that the best performers among rich countries in terms of employment, economic and social cohesion have in common a large welfare state that invests in people,” says GINI project coordinator Wiemer Salverda (European Commission, 2014, 2 June). On the other hand, increasing income for a few and greater concentration of wealth in their hands means more political influence for the rich. This is a danger to democracy and a major concern. The conclusion of the GINI project is that as inequality increases, political participation tends to fall among those who are at the bottom in terms of earnings, while the rich tend to have a bigger influence on policy.

Despite the number of projects and papers relevant to diversifying inequality (European Commission), and despite economic recovery and decreasing unemployment, this issue is still at stake. At the thematic plenary debate in the European Parlia-

ment about socio-economic inequalities on 6 February 2018, it was highlighted that “clearly, the neoliberal myth of trickle-down economics is not going to sort out the situation, [...] The growing gap between the rich and the poor is undermining the social and democratic fabric of our societies. It is high time to act now” (EAPN, 2018, 7 February).

Neoliberal policy and the European Union

Many scholars (Milanovic, 2016; Milanovic, 2017, 1 December; Varoufakis, 2016; Dauderstädt and Keltek, 2017; Donald & Martens, 2018) argue that the accelerated accumulation of private assets and the associated rise in wealth inequality is a major determinant of the global and EU crisis, and it is also continuing in the midst of the crisis.

The inequalities accelerated aftermath the global economic and financial crisis in 2008. Social movements and networks (ATTAC, 2013, 22 March) indicate that it is completely unacceptable for the costs of the crisis to be imposed mainly on those who had nothing to do with creating it. While banks are being saved with trillions of euros, and private wealth remains untouched, large sections of the population are confronted with massive decreases of living standards. The policy of cuts and austerities makes matters even worse. ATTAC warned that nobody ever succeeded in getting out of a debt crisis by cutting spending. It will not work this time, either, since the spending cuts are causing a deep recession and intensifying the crisis. The economies of Portugal and Spain have both shrunk by 6.5% since 2007. The Greek economy has shrunk by more than 20%, and the outlook is even worse. The study on the national responses to the financial crisis in 2008 in the Central European Countries (Dokmanovic, 2017: 89) shows that they were “focused on saving the banking system and the big capital, socializing the risks for the wealthy, while privatizing the risks for the majority”.

The trend of increasing inequalities has not emerged accidentally, ‘but is the result of deliberately policy choices’ (Donald

& Martens, 2018: 41). The policy choices that have produced these inequalities in the EU are the same that have produced emerging inequalities at the global scale; namely, market concentration, corporate concentration, and financial capital concentration. Moreover, these choices have been rooted in and bolstered by the prevailing neoliberal policy.

The key pillars of the neoliberal agenda are free trade and free unrestricted capital mobility, monetary restraint, and budgetary austerity; the ‘flexibilization’ of labour markets, the free movement of labour and the repression of wage demands; the privatization of public companies and services, as well as the restructuring of welfare states. These principles have been quite central to the idea of the European Union. The major policy issues, such as the Single Market Strategy, European competition policy, Economic and Monetary Integration, and even the European Employment Strategy, have enhanced free trade and free capital mobility, monetary restraint and budgetary austerity, the flexibilization of labour markets, and the erosion of employment security.

In his paper “Neoliberalism in the European Union”, Hermann (2007) demonstrates that the European integration process was used to adopt mainstream neoliberal policies. The Schuman Plan and the foundation of the European Coal and Steel Community (ECSC) were initially inspired by the notion of coordination and cooperation, rather than market-mediated competition. The EU has been created by the interest of the big businesses, and in fact, it is still managed by the interest of the big businesses. The Treaty of Rome created an institutional framework and laid the foundation for the establishment of the Single European Market and the adoption of the Single European Act in 1986. The single European market was a response to the economic crisis after national therapies had largely failed. The unification of European markets was a demand from the European Round Table of Industrialists (ERT) — an organization that assembles and represents Europe’s most powerful corporations. The common market has thus become a neoliberal market characterized by weak regulations or even deregulation. With the weakening of national regulations, barriers to entry for

non-European corporations were also minimized. Since 1990, 'individual EU member states have unilaterally abolished over sixty-three hundred quantitative restrictions against imports from third countries' (Hanson, according Hermann, 2007: 72).

Hermann explains that the creation of the Single Market advanced intra-European competition, which, according to liberalization advocates, would strengthen European businesses and benefit consumers, because monopolistic firms or oligopolistic cartels can no longer use their economic dominance to distort market pricing. In the period of good time, until the fall of the Berlin Wall, the wealth and the profit have been distributed less or more on the fairer basis, securing social welfare for the majority. However, the costs of the 2008 crisis have been imposed on the majority. The implemented policies delivered austerity for many and socialism for the few.

Besides, the most important factor in driving the concentration of wealth has been the adoption of more regressive tax policies, with increased reliance on indirect taxes, declining corporate and personal income rates on the highest earners. Meanwhile, expenditures on public services and social protection have been cut back. These policies have always fallen disproportionately on those who can least afford to pay. The gender impact of the austerity measures is well-documented (Karamessini & Rubery, 2014; Durbin, Page & Walby, 2017; Conley, 2012; Dokmanovic, 2017: 81-88; Dokmanovic, 2017a: 48-57).

The liberalization of public services gained momentum in the early 1990s, demanding the liberalization of telecommunications, electricity, postal services and gas. The EU Member States have created large public sectors in the post-war years to achieve a broader influence in the economy beyond monetary and tax policies (Hermann, 2007: 74). The expansion of public services played a special role in the post-war expansion of European welfare states. It created not only employment opportunities for women, but also aided them to combine paid work with care duties and family responsibilities.

There was a fundamental belief running through all these provisions that the liberalisation of these sectors will create competition, and that that would benefit consumers. However,

it showed that this consumer-oriented action presented a lucrative business opportunity for private capital. Whereas the EU countries previously had publicly owned monopolies, now they have “politically created multinational private oligopolies.” (Hall, according Hermann, 2007: 76).

The employment has become a major policy issue with the Treaty of Amsterdam. The first set of employment policies adopted in 1997 specified employability, entrepreneurship, adaptability, and equal opportunity as the four main pillars of the European employment strategy. It now constitutes the part of the Europe 2020 Growth Strategy. While the European Employment Strategy is of great importance to maintain sufficient support for market and monetary integration, job outcomes have been moderate at best. Employment guidelines have been used to decrease employment protection and standards, and to flexibilize labour markets and labour regulation (Hermann, 2007: 83). The integration process allowed policymakers, backed by the leading players of European capital, to erode the social rights that were achieved in the post-war decades. The integration has given the priority to competition and monetary issues at the expense of social demands. The structural imbalance has been created, which gives priority to economic over social and other issues.

Macartney (2011) in his book *Variegated Neoliberalism* demystifies the process of neoliberalisation focusing on the European case study and on EU financial market integration in the post-2000 era. He noticed that that period witnessed a new degree of impetus in neoliberal reform, with over forty directives aimed at integrating financial markets, as it is based on a finance-led mode of accumulation. Macartney explains the EU integration as driven by capitalism’s accumulation imperative. The neoliberal shift which occurred after the financial crisis was an attempt to restore the class power of sections of the capitalist class over European working classes (Harvey, according Macartney, 2011: 11). The neoliberal policy is based on economic growth as an ultimate goal. Economic development is measured by the level of the economic growth and the GDP, but monetary incomes do not constitute the wholeness of the human liveli-

hood. The real purpose of economic development, improving the livelihoods of the people, is neglected. As a result, “in many countries, economic growth has not been translated into human development” (Dokmanovic, 2017a: 24). Under these circumstances, many are losing opportunity to participate in decision-making and to control their own space and resources, that contributes to rising economic, social and political insecurities (Op. cit., : 26).

Notwithstanding, in contrast to the widespread perception of European distinctiveness, Europe shares with other regions of the world the same outcome where neoliberal restructuring has been put into effect: “there has been a major redistribution of wealth from work contingent income to ownership-contingent income” (Hermann, 2007: 86).

Despite extensive academic scholarship about the neoliberal nature of the process of the European integration, there is still a debate about the nature of the European neoliberalism. Birch and Mykhnenko (2009) do not assume that neoliberal integration has homogenization effects. They rather argue that neoliberalisation as a process has produced varieties of neoliberalism across the European regions and not one hegemonic form of capitalism. On the other hand, Abrahamson (2010) argues that neoliberalism in the form of the so-called Washington consensus is no longer promoted from the perspective of the late 2000s, and that we are now beyond neoliberalism. This author considers that social policies are no longer regarded as a burden on economies, but rather as an investment in human capital.

Social Movements: Eurosceptics or Alter-Europeanists

Rising inequalities and decreasing the social welfare state have fuelled discontent of many citizens, as well as their fall of trust in the EU. Factors such as support for austerity and the migration issue have caused growing Euroscepticism, mistrust towards the EU institutions, and thinking about alternative, visions of Europe “from below”. Due to the lack of space, this paper analysis the activities and policy demands solely those social

movements which are grass-rooted, have established network based on associated members in at least ten EU member states, have established institutional structure and are active in the debate on the EU policies and future at regional and European level. Under these criteria, the following European networks attitudes towards the European Union have been examined: ATTAC³, the European Anti-Poverty Network (EAPN)⁴, the Social Platform⁵, the Tax Justice Europe⁶, the European Network on Debt and Development (Eurodad)⁷, the European Coordina-

³ ATTAC, the 'Association pour la Taxation des Transactions financière et l'Aide aux Citoyens' (Association for the Taxation of financial Transactions and Aid to Citizens) was founded in France in December 1998 after the publication in the *Monde Diplomatique* of an editorial entitled 'Désarmer les marchés' (Disarm the markets) that launched the notion of creating an association to promote the Tobin tax. The organization expanded rapidly into the Europe and the rest of the world with an ATTAC network that is today active in some 40 countries with numerous local groups and organizations supporting the network. IN Europe, ATTAC network is active in Austria, Belgium, Denmark, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Luxembourg, Norway, Poland, Portugal, Spain, Sweden, Switzerland and UK. See: ATTAC, ATTAC in Europe, <https://www.attac.org/en/attac-europe> (accessed 20 May 2019).

⁴ The largest European network of national, regional and local networks, involving anti-poverty NGOs and grassroot groups as well as European organizations, active in the fight against poverty and social exclusion. It was established in 1990. EAPN has consultative status with the Council of Europe. <https://www.eapn.eu> (Accessed 19 May 2019).

⁵ The largest network of European rights- and value-based civil society organization's working in the social sector. Its areas of focus include building Social Europe and advocating for a comprehensive implementation approach to the European Pillar of Social Rights. <https://www.socialplatform.org> (Accessed 19 May 2019).

⁶ European network, part of the Global Alliance for Tax Justice, a growing movement of civil society organizations and activists, including trade unions, united in campaigning for greater transparency, democratic oversight and redistribution of wealth in national and global tax systems. <https://www.globaltaxjustice.org> (Accessed 20 May 2019).

⁷ A network of 50 civil society organizations from 20 European countries existing since 1990. Eurodad works for transformative yet specific changes to global and European policies, institutions, rules and structures to ensure a democratically controlled, environmentally sustainable financial and economic system that works to eradicate poverty and ensure human rights for all. <https://eurodad.org> (Accessed 20 May 2019).

tion Via Campesina⁸, Friends of the Earth Europe⁹, Alter Summit¹⁰ and Women in Development Europe+ (WIDE+)¹¹.

The hypothesis that these social movements contributed to increasing Euroscepticism and radical right is examined by the following methods: desk research and collecting data, information, publications, reports and research available on their websites, and a qualitative analysis of the collected information. The research was focused on identifying their mission, core values, areas of work, themes in the focus of work and research, and advocacy activities at the level of the European Union.

The social movements include the labour movement, regional movements, the environmental movement, feminist movement, and the anti-nuclear movement. There are many of them being active at European, national and local level in bringing citizens' voices at the public and political fora.

The key finding of the research is that, despite differences regarding the main topic they are dealing with (labour rights, social security, gender in development, peasants' rights, eradication of poverty, economic development, environmental protection, food sovereignty, etc.), they share many same characteristics, such as:

- All these networks share similar mission in opposing neoliberal policy.

⁸ The network is a part of the international peasants' movement La Via Campesina fighting for food sovereignty, peasants' rights, agroecology, dignity for migrants and waged workers in rural areas, environmental justice and international solidarity. <https://viacampesina.org/en/> (Accessed 10 May 2019).

⁹ The largest grassroots environmental network in Europe, uniting more than 30 national organisations with thousands of local groups. <http://www.foeeurope.org> (Accessed 20 May 2019).

¹⁰ A network made up of feminist, antiracist and citizens' movements as well as trade unions and campaign groups from over twenty European countries, opposing austerity policies implemented by EU Institutions. <http://www.altersummit.eu> (Accessed 20 May 2019).

¹¹ A European network of associations and activists that fights for women's rights, as part of a larger struggle for social justice, sustainable livelihoods and human rights. <https://wideplus.org> (Accessed 10 May 2019).

- Their demands are focusing on social and economic changes.
- They are active in searching, formulating and proposing social and policy interventions that may produce desired social and economic changes.
- They share same values that are in the core of their work and advocacy efforts, and they are: protection and fulfilment of economic, social, political, civil and cultural rights, equity, equality, gender equality, protection of vulnerable groups, labour rights, fair distribution of income and profit, social security, North-South solidarity, international solidarity, people's sovereignty, democratization of decision-making processes at all level, just trade, fair production, fair wages, protection of environment and natural resources, sustainable livelihoods, regulated markets and supply, corporate responsibility.
- Their approach to the current economic, financial, social and environmental crisis is based on demanding justice (social justice, food justice, gender justice, tax justice and environmental justice).
- They have developed and are working to develop further alternative models to the neoliberal policies that would put people and the environment at the centre of the economy and contribute social justice and sustainable livelihoods.
- They are active in advocacy for their demands before the EU institutions.
- They have developed a valuable and vast source of knowledge through research, including participatory, multidisciplinary and interdisciplinary research.
- They address the EU's democratic deficit demanding civil dialogue.
- They are active in the debate on the future of the European Union and Europe.

Majority of these European movements are members of a global network and/or have taken active role in the global alter-globalization movement, the World Social Forum and the Eu-

ropean Social Forum. They collaborate with each other and support each other in campaigning, advocacy and research. They also cooperate with similar civil society organizations and networks in countries outside the European Union. A number of their projects and activities has received the support of the European Commission.

These above-mentioned findings support the conclusions of the Donatella Della Porta that contemporary European social movement organisations are to be defining as “critical Europeans” instead of Eurosceptics (Della Porta, 2006). They are dissatisfied with the current economic policy and criticise neoliberalisation, marketization and privatization, but they seek for and offer alternatives based on research and empirical information. Their solutions are based on transformative economies, such as social economy, solidarity economy, feminist economy, and transformative practices, such as food sovereignty, agroecology, fair trade, financial transaction tax, regulation of financial markets, gender just trade policy, entitlement of communities and local producers, debts cancelling, and redistributive land reform. These models are based on new collective rights promoted from grassroots such as right to seed, right to food sovereignty, right to culturally appropriate food, and right to maintain, control and protect traditional knowledge.

Social movement advocacy for transformative policies of the European Commission that would enhance economies and eliminate inequalities. These demands have been introduced to the forthcoming European Parliament elections in May 2019 as a ‘Manifesto for a Sustainable Europe for its Citizens’ (Friends of the Earth Europe, 2018, 25 September).¹² Similarly, the Alter Summit network has called for establishing a political, social and democratic Europe, building on the basis of equality, solidarity and genuine democracy (Alter Summit, 2019). For example, after the EU elections in May 2019, 37 social movement organizations called for EU food policy and European Commission

¹² On this occasion, Jagoda Munic, director of Friends of the Earth Europe, said: “At the moment too much of the debate about the future of Europe is stuck in the question of ‘more or less EU?’. We need to move the conversation on to ‘what kind of Europe do we want?’.”

Vice-President for Food for ensuring the sustainability of the European food systems (Friends of the Earth Europe, 2019, 17 July). These networks are also united in insisting the implementation of the European Pillar of Social Rights and the Agenda 2030. At the 2nd Social Platform Flagship Conference in Helsinki, in September 2019, the recommendations have been developed for an economy of wellbeing approach that leaves no one behind. The economy of wellbeing encompasses a long-term approach 'that looks at the impact of decisions and policies on people's lives, is based on a participatory governance structure, and ensures socioeconomic and environmental justice for all' (Social Platform, 2019, 24 September).

They also call for involvement of civil society organisations in all stages of the EU decision-making process to ensure decision are based on the impact they have on people's lives. Recently, the 2nd Social Platform Flagship Conference has called the future Executive Vice-President of the European Commission for 'An Economy that Works for People' to go beyond engaging only in social dialogue and to establish a structured relationship with civil society organisations (Social Platform, 2019, 24 September).

Conclusions

The findings of this paper confirm the first hypothesis examined, that the increasing inequalities in the European Union, caused by the prevailing neoliberal policy, contributed to the rise of social movements across Europe. The hypothesis that these social movements contributed to increasing Euroscepticism and radical right has been refuted. The demands of these civil society networks, as well as their advocacy efforts, are oriented to transform current 'market Europe' into 'social Europe'. They use social pressure for system change. They insist in having a permanent dialogue and a structured relationship with the EU institutions, but they do not tend to transform themselves institutionally in a form of a political party. They stay focused on examining and proposing alternatives to counter current economic

and social difficulties, calling for social justice. Thus, their position is more on the 'left' side than the 'right'. Instead of being Eurosceptics, members of social movements are rather Eurocriticals and Alter-Europeanists demanding for a more sustainable, inclusive and democratic Europe. Although there is still a scholarly debate about the European dimension of these movements and the nature of contemporary collective action (Mathers, 2016), apparently, they may constitute corrective to strengthening democracy.

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The Development of the Left Transnational Political Associations in Europe

Abstract

This article explains the wider background of the forms of transnational political organisations on the political left that have passed a long way since the 19th century Socialist International and the first tries to gather various leftist political organisations in order to foster cooperation and communication at an international level. In recent years, we are seeing three divergent processes influencing primarily leftist parties' associations. First, on the global level, the split within the Socialist International and the creation of the Progressive Alliance. Second, the functioning of the European Parliament and its impact on the work of parties in Europe and their cooperation in the European context. Finally, the crisis situation in Europe where a visible change of approach of the electorate towards the mainstream political parties is having a heavy toll on the functioning of a number of traditional parties and their positioning in the European and international scene. This creates a very interesting political situation which transforms the way how the international political associations are perceived in their form and content.

Key words: International political associations – Socialist International – European Parliament – Progressive Alliance – Regionalism

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Introductory notes

International and regional forms of political organisations and associations have been present in the international relations for the two last centuries. In their nature, these non-governmental organisations interact and work together transcending state borders and cover diverse political families in their scope. From the beginning, the internationalisation of ideology and political beliefs lead

the forms of cooperation towards the level of international political movements, whose organisational basis is made of organised political forces in the form of political parties on the national level (Dimitrijević et al, 2011). They can be classified as a form of transnational entities, i. e. non-state, non-governmental, non-sovereign, and non-territorial participants whose deliberate activity crosses state borders relatively freely and exerts an influence on intrastate and international relations (Witkowska, 2013; Dumala, 1995).

Moreover, these forms of associations also function in a specific environment. As one can talk about transnational party system where parties interact with each other, in a competitive manner and in a defined arena, one can note that it presents a sort of a "system of interaction" (Sartori, 2005). The developments on the European scene over the last few decades have produced a very fertile arena for significant changes with regard to the international or regional association of various political parties into movements, associations, transnational party groups or political families. In contrast to the earlier period, when during the nineteenth century and up to the 1990s we could speak only about the dominant political movement of the Socialist International (SI), as well as consistent attempts to bring together communist parties under the umbrella of Moscow through various forms of interventions of the Soviet Union, today we are witnessing the political associations on the European continent going through an opulent process of changes both in their form and content. This is especially true of the forms of association on the political left.

In the last two decades, there have been significant changes in the way and nature of association, especially of the left parties, into international forms of cooperation of various party subjects. First of all, the Progressive Alliance was formed as a SI complement or equivalent (depending on the point of view), which significantly shook the previously monolithic leftist mechanism of cooperation at the global level, which was in force since the 1950s when the Socialist International was founded in its present form. This provided an alternative to the ways in which channels of communication, the exchange of ideas and the setting of goals for political action among social-democratic parties could be established. But, more importantly, and even principally, the European Parliament and the

need to act within it, led to the creation of transnational political associations, such as the Euro-parties of the Socialist and Democrats Group and the Party of European Socialists. Article 10 (4) of the Treaty on the European Union lays ground for their operation by stating that: *“Political parties at European level contribute to forming European political awareness and to expressing the will of citizens of the Union.”* These new associations improved the communication and working methods between the parties for the purpose of acting together to achieve convergent goals, but also had an impact on the practical level of activity within the bodies of the European Union (especially the European Parliament and the European Council). Finally, the crises that Europe has been going through in recent years and the loss of confidence in traditional parties have also led to the weakening of left parties in Europe and the need to find a way to include and find a new space for new left parties and associations that in some countries have completely replaced the traditional ones or enfeebled the left significantly.

The international framework for the European parties of the Left

International political forms of association in their present form emerged in the mid-nineteenth century. They found their roots, ideas and ideology in leftist ideas. They have been developing in this framework for over a century and a half. Accordingly, the Socialist International was the first association, the first real international political organisation, which is still alive today through a series of its own embodiments. It was born in 19th century amidst the development of the left through the logic of action, as a force fighting for revolutionary goals, in contrast to the right which associated itself with the logic of reaction or the force of status quo (Cvetičanin, 2016). At the time of its emergence the socialist parties were unanimous in their goal - working together in order to involve the working class as much as possible in the representativeness of government, to give them the right to vote, and to help them lead a dialogue with other political organisations (Della Porta, 2013). In this context, this first global idea of uniting political

forces in an international, transnational and supranational format, from the standpoint of present-day perspectives on the opportunities offered by the nineteenth century, indeed looks extremely progressive for its time. The proclaimed goal of the First International Congress at The Hague made it clear: "The organisation of the proletariat into a political party is necessary to achieve the victory of the social revolution and its ultimate goal - the abolition of classes", (Przeworski, 1986). Working-class champions, therefore, shared a unique understanding that it was necessary to act on an international basis to allow the ideas of the social revolution not to remain tied to a single state or nation. The problems of the proletariat were the same, and in this the leaders of the Socialist International found the common ground to fight together.

Even then, at the very beginning, the First International and the idea of internationalism had to contend with divisions and different perceptions of the scope and future of the movement. At the time, they "*all had a common tactical-strategic principle: no cooperation with bourgeois parties. They all had a common expectation: the inevitable collapse of capitalism... They all had a common 'foreign policy' based on a vague concept of internationalism, anti-colonialism and pacifism*" (Day, 2013, Sassoon, 1998). They primarily fell victim to the clash of anarchists and Marxists and the strong influence of the national views on the work of the International. Already in 1889, the Second International had been founded, but it did not manage to survive World War I or to recuperate after it. The schism that the Soviet Union caused by trying to exercise control over leftist movements in the world was insurmountable. With the founding of the Communist International, or the so-called Third International, Moscow prevented the potential worldwide unification of the left or the later global character of the organisation until the 1990s. The Second World War and the establishment of the Cominform, i. e. the division in understanding the role of the left in terms of ideological goals, delayed future unification until the 1950s. The two world wars did influence the international nature of socialism, but the ambition of one such idea that the left could join into a united political organisation at a time when the League of Nations was barely able to survive as a forum for the dialogue of states, went beyond the realities and possibilities of political ac-

tion. The post-World War II period and the founding of the United Nations, as well as increasingly discernible and superior international cooperation, also provided new chances to building a new international political association modelled on the earlier Socialist Internationals. The Cold War, which between the West and the Soviet Union also dashed all hopes that an agreement could be reached with the Communist countries, so that the leftist parties of the democratic states went their own way. Finally, one of the main reasons why the formation of the new Socialist International was possible was the fact that post-war social democratic parties chose to exercise their rights for the working class through existing political electoral systems (Bonoli et al. 2004). This deepened the division with the Soviet model of cooperation, but it also facilitated the possibility for the socialists and social democrats of democratic states to finally create a new mechanism for international cooperation, carried on by tradition and also by the spirit of the original success of the United Nations.

Born in 1951 in Frankfurt, the Socialist International today brings together more than 150 members on an equal international basis, as outlined in its founding Declaration. During the Cold War this organisation brought together socialist and social-democratic parties which¹, in addition to imperialism, also fought against communism as a “twisted socialist tradition.” The declaration thus unambiguously indicates who is on which side and who is in fact the successor of the nineteenth-century tradition of internationalism. As the inspiration for the new SI originated in Europe, much of the activities of the SI were characterised by the support for political actors in the fight against colonialism and finding solutions on how to transfer the ideas of social democracy to the newly created states outside the European continent. This activity would strongly mark the first decades of the SI and the work of the leaders of the organisation Olof Palme, Willy Brandt and Bruno Kreisky.

After the fall of the Berlin Wall, a number of changes happened in the understanding of the role of not only the left with all its institutional emanations from the left-centre to extreme communists, but also a different view of the role of the Socialist Inter-

¹ Website of the Socialist International: <http://www.socialistinternational.org/viewArticle.cfm?ArticleID=39>, (accessed 2 December 2019)

national. Primarily, the fall of the communist regimes in the Soviet world had a devastating effect on the radical left parties in western Europe, where they either disappeared from the political scene, or they had to alter their approach to the core issues of the left in order to survive. For the following almost two decades they would have to wait for the crisis period that hit Europe in order to come back to the scene in a different form of far-left political option. On the other hand, the traditional left and centre-left parties, after the initial shock, turned to the third way or new middle of social democracy promoting free market, balance budgets, protection of the environment and social liberalism (Giddens, 1998), which led to their recovery in the polls by the end of the century. Furthermore, in addition to the traditional parties of democratic societies, the SI then began to gather new leftist parties of the young democracies. All this has caused changes within the organisation along with different types and directions of action. The fact is, however, that the SI continues to exist today as a global political association, demonstrating that the idea of working together through the struggle or promotion of leftist ideas has succeeded in overcoming many challenges. It has, at least, remained the centre point around which political parties manage to rally on the global plane either by inertia or by will to contribute to the world socialist ideas.

Moreover, more than twenty years after the tectonic political changes in Europe, the Left has recently spawned a new international political organisation alongside the Socialist International. The new Progressive Alliance was created in 2013 in Leipzig on the initiative and under the leadership of the German Social Democratic Party (SPD). After the Second World War, this German party was also crucial for the formation of the SI itself, which is why Frankfurt was the place where today's International was formed (Padgett et al. 1991). It is no wonder then, that the SPD initiated the need to create a new framework of global cooperation apart from the Socialist International after they became aware that it was heading in a direction that did not fulfil their expectations. This rift between left-wing transnational political organisations is not new. As early as the nineteenth century, there was a division between the Socialist International and the then Alliance of the Social Democrats. Bakunin wrote in his manuscript *Aux citoyens rédacteurs du Réveil* (Eck-

hardt, 2016) about how the then Alliance of the Social Democrats was then formed precisely with the intention of harming the International. The Progressive Alliance, in its founding documents, claims to offer an alternative to what it sees as an outdated approach to the SI, that is, “*the time is ripe for a progressive, global political and economic system which places humans at the centre of attention again*”² which will be at the same time “*parallel and complementary to other associations operating at an international level, the Progressive Alliance builds on existing and evolving networks and forums*”.³ This ceremonial vocabulary finely shows the frustration that exists mainly in leftist parties in Europe over the activities of the SI as well as an attempt to find a solution to further develop relations and connect what is already a well-built structure of the social democratic cooperation network on the European continent with other social democratic parties in the world. At the same time, the critics of the Progressive Alliance and supporters of the Socialist International have argued that the Alliance has turned towards liberalism, severed ties with unions, and lost its traditional leftist character. Today, as a consequence of this, we again have two dominant social democratic international organisations in the world. It is difficult to expect that they could be consolidated in a common framework in the coming period. Progressive Alliance has practically just started its work and is indubitable that it will work on building its image and expanding it, while the SI believes that it remains the undisputed and the only framework for global action among the socialist parties.

The changes that followed the fall of the Berlin Wall made it possible to change the concept of international cooperation among the Social Democratic parties primarily by the understanding that the socialist forces of the democratic states had won the long-awaited victory over the Soviet model of association and cooperation. In his famous speech in Stockholm in July 1989 at the SI meeting marking the centenary of the Second International, which took place just a few months before the fall of the wall in Berlin,

² Website of the Progressive Alliance: <http://progressive-alliance.info/wp-content/uploads/2015/09/150930-Draft-Progressive-Alliance-Basic-Document-1.pdf> (accessed 2 December 2019)

³ *ibid*

Willy Brandt made it clear that *"socialism cannot function without democracy"* (Vivekanandan, 2016). At the same time, Brandt also announced the change that the new political phase of the fall of European Communism would bring, and that it would have a significant impact on overall developments in party life, or as he put it *"The next decade will be marked by attempts to bridge the gap between different political and economic problems because all of humanity shares these challenges"* (Vivekanandan, 2016). It is precisely Europe and the European Union, as the frame for the work of diverse political entities, with an ever-stronger European Parliament, that will form the most fertile ground for this kind of new political experiment.

Impact of the European Parliament on the changes in the International Association of the parties of the Left

Another dominant change that has occurred in international political associations is grounded on the strengthening of regional character and the stronger institutional work of these associations. It should be remembered that today we have a whole range of regional political organisations, which, although not global in nature, are very vibrant and energetic associations and groups that allow political entities to unite on the basis of: a) not exclusively leftist and b) not exclusively based on ideological plane. Thus, on the European continent, we have a number of regional party associations that have emerged over the last forty years in order to facilitate the joining of different political parties into alliances through which both common and individual goals can be more easily and successfully pursued. They can be discerned into two mechanisms – European Parliament party (Euro-party) and transnational party federations (Pridham et al, 2016). These associations cover the entire political spectrum, so that today in the European Union we have the socialist and democrats, the far left, the liberal democratic associations, the greens, the right united in the nationalist federation, but also in the right-wing of conservatives and reformists, right up to the association of populist and neo-fascist associations. All of them are characterised by the fact that they operate in a spe-

cial environment of the European Union, which, with the establishment of the European Parliament, has strongly influenced the process where representatives – Members of the European Parliament (MEPs) in the European Parliament are not classified only by their national or state affiliation, but rather on the creation of supranational political associations that pursue their common goals.

Historically, the creation of the European Parliament started modestly and went on to develop through into an increasingly active House of Representatives through the later versions of the founding treaties. The need to connect the European left parties and the SI was immediately set in motion, as the International established a liaison office with the EC parties in 1957, after which the Confederation of Socialist Parties was established in The Hague in 1974. The first common political party structures (the nucleus of the today's Euro-parties) participated already at the 1979 election for the first European Parliament. Twenty years on the Confederation grew into a now well-known Party of European Socialists (PES), established in November 1992 in response to Article 138a of the Maastricht Treaty (Ovey, 2002). Today, PES brings together 33 members, 13 associate members and 12 observers and is the most active framework for left-wing parties in Europe. The structure, the number of bodies and the frequency of meetings provides a framework for the left-wing parties to continually co-ordinate their work, which in turn has affected their increasing cohesiveness and speaking more and more in one voice not only within the European Parliament but also within the global Socialist International.

All of this has led to the need for alliances within parliament to facilitate the distribution of functions and positions in various bodies, the election of leadership and more effective action within the assembly to promote certain policies. Finally, the European political associations started to initiate cooperation outside of the European Parliament, so that there are regular meetings of these associations before major EU summits, independent of the European Parliament itself. In addition, the experience in working within PES has certainly assisted the German SPD to entertain the idea and to build up the know-how for the creation of a new global association - the Progressive Alliance. A noteworthy feature of all groups or Euro-parties in the European Parliament is the significant level of co-

hesion that the sister parties achieve within their groups. Socialists are certainly at the top of this cohesion, which is achieved through a full range of working bodies up to the vote in plenary (Ripoll Servent, 2015). A Euro-party has "a statute, a common programme, a secretariat, an executive body, a party assembly, a hierarchical leadership structure, the ability to make decisions binding on member parties, and the aspiration to become a fully-fledged European political party" (Hix, 1996).

The European Parliament also encourages linkages and grouping in order to reduce parliamentary diversity and to achieve greater efficiency, because it is not the same to do and vote if there are five or six groups or dozens and dozens of parties all voting differently. To this end, the European Parliament has introduced various benefits that allow groups to better monitor committee work or have specialised working groups that can prepare better positions, hold meetings within groups to share views and become more informed, while the opportunity to get through the groups important leading posts in the EP bodies are certainly much more easily achieved through group action than individually (Heidar, 2000).

It should also be borne in mind that the PES, like the European People's Party (EPP), has used its organisation and contacts to help new democracies in Central and Eastern Europe. Through the mode of the observer membership it has managed to involve left-wing representatives not only in the work of the PES, but also to provide training and seminars, material and technical assistance, and political mentoring in the new democracies (Grugel, 1999). This process has also contributed to the strengthening of unity within the PES the same way it has helped the Alliance of Liberals and Democrats (ALDE) and the EPP. Constant admission of new members and the work on networking among the parties spilled over into joint work within the group, and later their to wider forms of international cooperation, primarily within the SI and the Progressive Alliance. The work of the European Parliament has primarily created the need and the ability to bind parties to achieve a whole range of goals, so the Estonian left not only shares the same social democratic ideas with the Spanish sister party, but also uses this interconnection to present itself in a more important light and larger

size than the country and the number of MEPs are. Thus, an Estonian MEP has the chance to become one of the Vice-Presidents of the EP or chair some important committee if properly positioned within the PES.

Over the last four decades, the cooperation within the EP and the formation of political party groups have shown that association and cooperation are not based only on a territorial principle and national priorities, but rather on an ideological consolidation into alliances that enable the achievement of common goals. Simon Hix points out that this is not only a feature of the European Parliament, but that it is also the case with large and diverse countries such as India and the US where significant differences between the parts did not prevent coherence within the traditional large parties (Hix, 2007). Nevertheless, the development of cooperation in the European Parliament is a unique experiment in the world, which has its own laws and timeline. One of the indicators of this uniqueness are the so-called “spitzenkandidaten” in the 2014 and 2019 European Parliament election. In 2014 the European elections had the groups that have presented their priority candidates for President of the European Commission for the first time. In the early stages of the European Union’s development, it was almost inconceivable that during the elections for the European Parliament the candidate for the next President of the European Commission would be presented to the public as the one leading a political party group. This exclusive right was left exclusively to the European Council i. e. the gathering of the Heads of State or Government of the EU Member States. This new approach, in which the two most powerful groups, the EPP and the PES, certainly had an upper hand and it was only a question of whether the EU would get the EC president from the right or the left, certainly did not favour smaller parliamentary groups, which is why ALDE, as the third strongest grouping, opposed the proposal in the beginning. In 2014 for the first time, the EU had something similar to national elections, that is a system in which the election campaign was conducted by common leaders. This changed somewhat the way the electorate views this European Parliament and also brought a sense of greater weight and involvement to the Parliament itself. Although the European Council after the election had the opportu-

nity to elect any new Commission President⁴, the heads of state or government still had to consider the fact that the EPP had gathered the largest number of seats in the Parliament and the spitzenkandidat - former Luxembourg Prime Minister Jean-Claude Juncker was proposed as a president elect of the European Commission and later approved into the EP. What followed in 2019 EP election was again a spitzenkandidaten led framework of electoral campaigning, but the European Council came up with not the proposed spitzenkandidat Manfred Weber from the German CDU, instead proposing Ursula Van der Leyen from the same party. This dilution of the system introduced only five years ago showed that the fragile structure and framework of the European electoral landscape. The heads of state or government did not breach any rule or article of the Lisbon Treaty, but they exercised their right to pick up the proposal for who is to lead the next European Commission thus showing the strength of political forces at work in its best.

Therefore, it should not be expected that the parties that make up the Socialist and Democrat group will completely renounce their national character or assume a European one if the national position is threatened. Although Simon Hix, as one of the most well-known experts in the work of the European Parliament and the political party, argues that we are moving towards increasing cohesion and association within political groups in the Parliament and that the changes that have taken place in recent years, especially in the current European Parliament, should be considered (Hix, 1997). The EPP, for example, failed to achieve cohesion to allow us to talk about monolithic political blocs. The conserva-

⁴ Paragraph 7 in Article 17 of the Treaty on the European Union states the following: „Taking into account the elections to the European Parliament and after having held the appropriate consultations, the European Council, acting by a qualified majority, shall propose to the European Parliament a candidate for President of the Commission. This candidate shall be elected by the European Parliament by a majority of its component members. If he does not obtain the required majority, the European Council, acting by a qualified majority, shall within one month propose a new candidate who shall be elected by the European Parliament following the same procedure. The Lisbon Treaty, Treaty on European Union & comments, Title 3 - Provisions on the institutions (Articles 13-19) Official Journal of the European Union: https://eur-lex.europa.eu/resource.html?uri=cellar:2bf140bf-a3f8-4ab2-b506-fd71826e6da6.0023.02/DOC_1&format=PDF (accessed 2 December 2019)

tives and reformists split from the EPP and formed their own grouping (ECR), the far right succeeded in creating their first blocs within the EP, while the shifts on the far left have also been noticeable. The fact is that in recent years, one can note transnational political associations within the EU whose constituent members do not share the same ideological commitment, are not bound by the same or very similar agenda, and that enter this type of association either to achieve short-term goals in a particular policy or purely to fortify their position within the European Parliament. So naturally there are defections and changes that cause parties to choose which transnational political association they belong to, and in the process abandon their earlier alliances to join new ones.

The basis for the formation of a particular international political association is no longer purely ideological in nature, since it can be noted that within the coalition of European Conservatives and Reformists or the EUL-NGL there are parties that by no means could be considered allied. In terms of ideology, the British Conservatives are much closer to the related parties of the European People's Party than they are to being a member of the European Conservatives and Reformists, where they share their membership with the Polish PiS. If, ten years ago, it seemed that we were moving towards the consolidation of party groups in the EP and the creation of a left and right bipolar system, today we can observe the enfeeblement and reversibility of the process. The effort to unite the Conservatives and the European Democratic Union in the 1990s was therefore undermined later on by the fact that the right-wing parties seceded from the EPP and formed the European Conservatives and Reformists because they no longer felt that they shared the same goals and modes of political action as the sister parties within the European People's Party.

Perhaps the most famous recent example is the Five Star Movement, which tried to exit the Europe of Freedom and Immediate Democracy group and join the Coalition of Liberals and Democrats (ALDE) in early 2017 and voted on it, then was rejected by ALDE. If this transition had taken place, not only would have ALDE become a significantly more powerful institution within the EP, but the then Europe of Freedom and Direct Democracy would have disappeared as a political party group in the European Parliament. The

fact that the Five Stars tried to move from the ultimate Eurosceptic coalition to the so-called Euro-fanatic coalition suggests that potential political gain outweighed ideology. In this way, new groups in the European Parliament are positioned less and less as ideologically assembled representatives of their nations - EU Member States, and increasingly as a kind of political amalgam whose behaviour corresponds to the need to achieve goals in the European Parliament.

The European Crisis and the consequences for the traditional parties of the Left

Finally, the third dominant feature that undermines the usual association and cooperation of parties through international political associations has to do with changes in the traditional understanding of the left and the right, and the increasingly frequent establishment of national movements that destroy the traditional bipolar party fabric. The reality brought about by the post-crisis era in Europe should be considered when looking at the future functioning of parties within international political framework. This reality is characterised by the weakening of traditional left, centre and right parties, and the emergence of a whole new set of national movements that do not have such a strong left-centre-right determination. This allows them to exercise greater freedom of choice i. e. become less constrained by their party's programme in joining a transnational political association.

UKIP is a good example of a one-goal party, but the fact that Five Stars or Syriza are wandering around in this mix of European movements is indicative of Europe undergoing creative chaos on the political spectrum that may bring new surprises in the coming years. The victory of the Emmanuel Macron, who does not come from traditional parties and who initiated a completely new movement that subsequently became a party not easy to position within the traditional party spectrum was accompanied by a defeat that occurred with the Socialist Party of France in the parliamentary elections where it fell to ten percent of support, less than the Com-

munist Party. Most of the 350 ex Socialist MPs have been overtaken by the new Macron party.

Stuart Thomson argues that the new social-democrat parties simply failed to find a way to present the way they fight for the classic goals of social democracy, such as equality or collective action, that would allow them to arouse hope for the future or to form credible electoral coalitions. Thomson also argues that most social-democratic parties in European countries have become neo-liberal and thus have lost their touch with the principles. This has consequently influenced the events and situation in PES, the Socialists and Democrats in the EP, and of course the SI and the Progressive Alliance itself (Thomson, 2000). The conflict that resulted, as we have said, with the formation not only of the new Progressive Alliance, but also the emergence of Syriza in Greece or Podemos in Spain.

As we live in the moment when all these changes are happening, it is not easy to talk about the concrete consequences that fractures on the political scene may bring. It takes time to see how things will develop. Prior to the 2019 European Parliament election, many argued that extremist political parties would prevail, and that the series of wins starting with the vote on Britain's exit from the EU, Trump's victory or the almost equal result of the far right and the liberal-green coalition in the Austrian presidential election would translate into a serious disbalance of forces in the European Parliament. Although this has not happened, the European Parliament is more fragmented than ever before. Today, one can note that Identity and Democracy, a far-right political group in the EP holds 73 seats, while the European United Left-Nordic Green Left (GUE-NGL), a far-left grouping has 41 MEPs, with ECR at 62 additional seats. EPP and Socialist and Democrats have lost their majority and have to make coalitions with the Liberals (now Renew Europe) and the Greens (Greens-European Free Alliance). Further to this, the idea of transnational lists has been proposed for all European citizens to vote together for their representatives, irrespective of their country of citizenship or vote. However, this proposal has had a tough path to pass since it was proposed by President Macron. President of the European Commission Ursula von der Leyen in her speech to the Parliament announced she wanted to ad-

dress the issue of transnational lists at the European elections as a complementary tool of European democracy.⁵ All these transitions, movements and changes show the fluidity of the political situation when it comes to the transnational cooperation among political parties in Europe, which is to a considerable extent caused by the volatile political situation with the European Union and a wider dissatisfaction of the electorate with the traditional parties. It remains to be seen what kind of direction these processes will be having in the near future thus influencing the very nature of transnational party cooperation.

Final considerations

This paper started from the premise that transnational political organisations have been undergoing changes in the scope and form of their work in recent decades. First of all, the largest and the oldest global one – that of the Socialist International has received competition in the form of a new Progressive Alliance. The formation of this alliance was predominantly influenced by the German Social Democrats, who, in the new framework environment created by the European Union, and through the Party of European Socialists and networking with other related parties, managed to significantly improve the mechanisms of their international activity. This, therefore, has had a direct impact on forms of cooperation, first and foremost on the European continent, and then more widely in other parts of the world. Finally, the expansion of various crisis in Europe and changes in attitudes of the electorate regarding the traditional division into centre, left and right has led to key changes within the parties themselves, and also affected associations, that is, regional political groups in Europe.

Given that we are talking about a lively process with numerous political entities, it remains to be seen whether the Socialist International and the Progressive Alliance will find common ground or whether relations will develop in the direction of increasing divergence. The question also arises as to whether parties of other

⁵ Website of the European Commission: https://ec.europa.eu/commission/presscorner/detail/en/SPEECH_19_4230 (accessed 2 December 2019)

political provenance will form some sort of international co-operation the way the Left does. The EPP is a good example of regional activity where people parties have shown that they can act in an organised and cohesive manner. The question is why this has not been applied yet on a global scale.

Also, it remains to be seen whether the European parties will move towards an increasing political amalgamation within their respective groups or whether we will have more political associations in the next European Parliament. Of course, this will also be linked to further concepts of the development of the European Union and the "multi-speed Union", i. e. the question of whether the European Parliament will continue to strengthen, and thus create more need for effective and stronger alliances within groups. These are all questions for the future, but we can certainly say that Europe has already changed the usual understanding and definition of international political associations and that we are currently in a live political experiment, both with the changes in the functioning of the European Parliament and with the ongoing crisis through which a number of traditional parties in Europe, especially the left, go through.

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