

Greece and Its Western Balkan Neighbours – Common Challenges in a Changing Europe

Predrag Jureković and Elena Mandalenakis (Eds.)

Study Group Information



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Greece and Its Western Balkan Neighbours – Common Challenges in a Changing Europe

**37th Workshop of the PfP Consortium Study Group
“Regional Stability in South East Europe”**

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Foreword

Predrag Jureković and Elena Mandalenakis

This volume is composed of articles from the 37th workshop of the Study Group “Regional Stability in South East Europe”. The workshop was conducted in Heraklion/Crete, Greece, from 20 to 23 September, 2018. Under the overarching title “Greece and Its Western Balkan Neighbours – Common Challenges in a Changing Europe” 40 experts from the South East European region and other parts of Europe, international organizations and major stakeholder nations met under the umbrella of the Partnership for Peace (PfP) Consortium of Defense Academies and Security Studies Institutes and the Austrian Ministry of Defence, represented through its National Defence Academy and the Directorate General for Security Policy. The workshop was supported by the regional partner, Dr. Elena Mandalenakis, a political scientist specializing in international and regional security from Heraklion/Crete.

The EU and NATO member Greece is literally – due to its geography – and metaphorically at a crossroads. Its geographical position in the Balkan Peninsula and shared history with its neighbours continue to shape its interests as well as the challenges it faces. Regional collaborative and adversarial state interactions continue to guide interstate relations in the region.

Aside from the fluctuating bilateral relations, Greece and the Western Balkan states face challenges that can only be collectively dealt with. Common interests, such as the irregular migration and refugee crisis that began in 2015 and has threatened the internal coherence of the EU, have also tested the intra-regional relations in South East Europe. The refugee flow through the Eastern Mediterranean Route led to unilateral closings of EU external and internal borders, thus, weakening the Schengen Agreement, the protection of human rights and the provision of humanitarian assistance. Countries like Greece, operating as EU external borders, became the “gatekeepers of Europe” and have been disproportionately burdened by the crisis.

This burden, in conjunction with the economic crisis that Greece faces

since 2009, questions its ability to effectively deal with the issue while abiding to humanitarian standards. At the same time, Greece's expectation to participate in the markets after the end of the imposed Memoranda, while not economically robust yet, reduces the chances for a quick economic recovery. The fleeing of the most active, educated and talented generation to more prosperous countries (a phenomenon known as "brain drain") is not unique in the case of Greece but common in the Western Balkans too. Along with a birth deficit it has become a serious obstacle for regional growth. Domestic political instability, rising civic unrest, rise of xenophobia and nationalism are only a few outcomes of a prolonged economic and social crisis that affect both Greece and the Western Balkans.

In the energy sector, there are hopes for potential gains from the exploration of hydrocarbon resources that exist in the seabed of Greece. There are opposing views and political reactions in the country regarding the validity and the significance of these energy resources in both political and economic terms. At the same time, Greece qualifies for becoming a regional hub for energy security as it provides a relatively stable political environment for the extract and transport of energy from the South Caucasus, the Caspian basin and Central Asia into Europe.

Against the background of Greek-Western Balkan relations, the covered topics in this Study Group information range from existing bilateral challenges between Greece and its neighbours Albania, the Former Yugoslav Republic of Macedonia (now North Macedonia) and Turkey, transnational common challenges, in particular caused by migration flows, shared demographic and economic challenges as well as topics linked to energy security.

The editors would like to express their thanks to all authors who contributed papers to this volume of the Study Group Information. They are pleased to present the valued readers the analyses and recommendations and would appreciate if this Study Group Information could contribute to generate positive ideas for supporting the still challenging processes of consolidating peace in South East Europe.

Special thanks go to Benedikt Hensellek, Raffaella Woller and Klara Krgović, who supported this publication as facilitating editors.

Abstract

The EU and NATO member Greece is literally – due to its geography – and metaphorically at a crossroads. Its geographical position in the Balkan Peninsula and shared history with its Western Balkan and South East European neighbours continue to shape its interests as well as the challenges it faces. Regional collaborative and adversarial state interactions continue to guide interstate relations in the region.

Against the background of Greek-Western Balkan relations, the covered topics in this Study Group information range from existing bilateral challenges between Greece and its neighbours Albania, the Former Yugoslav Republic of Macedonia (now North Macedonia) and Turkey, transnational common challenges, in particular caused by migration flows, shared demographic and economic challenges as well as topics linked to energy security.

PART I:

GREEK RELATIONS WITH ITS NEIGHBOURS

Greek Bilateral Relations with Its Non-EU Neighbouring States: Albania, FYR of Macedonia/North Macedonia and Turkey

Elena Mandalenakis

There is an intensification of efforts to solve once and for all outstanding issues that afflict state relations in the Western Balkans and South East Europe. The ultimate goals are the completion of the European integration project and the solidification of NATO's alliance vis-à-vis developments in the Mediterranean region and beyond. Greek relations with its bordering states will be discussed in light of these objectives as well as the role of international actors for the de-escalation of bilateral and regional tensions. The Greek bilateral relations with Greece's neighbouring states of Albania, FYR of Macedonia and to a lesser extent Turkey are at the epicentre of this analysis. How constructive are current bilateral and international efforts to deal with challenging issues in fostering stronger and lasting intra-regional and inter-regional relations? Although the aim is for the decongestion of persisting rivalries, the actors do not always agree on the benefits of a promising future.

Greek Foreign Policy Objectives

Among the main strategic interests of Greece are the attainment of stability and the guarantee of security in the Western Balkans, the South East Europe and by extension to the whole of Europe.

Good neighbourly relations are fundamental in a region of such geopolitical significance, especially when there is interplay of various actors' interests. Hence, Greece is a strong advocate of the integration of its neighbouring states of Albania and FYROM (now North Macedonia) into the EU and NATO, a position that would foster and guarantee better relations. The same applies to Turkey's candidacy into the EU, despite the fact that Greek-Turkish bilateral relations have been challenging on various issues. There are further challenging issues between Greece and its neighbouring states but these are not deemed crucial enough to govern their relations in

their entirety. Hence, we observe that bilateral relations fluctuate between cooperation and diplomatic quarrels.

Stable regional relations can be attained through open channels of communication, either bilaterally or through participation and membership in international and regional organisations. Greece is defending and advancing its national interests through bilateral agreements (i.e. HiPERB) and the European interests through EU joint programmes (Adriatic and Ionian Initiative-AII, Regional Cooperation Council-RCC, etc.). For example, Greece established the Hellenic Plan for the Economic Reconstruction of the Balkans (HiPERB), a development assistance plan for the period 2002-2011. HiPERB was designed to promote a comprehensive development policy for the Balkans that would help its neighbours to modernise their infrastructure and to reform their policies i.e. the rule of law, in accordance with the European Union infrastructure and policy, as potential members. The planned budget was more than 5 million euros.¹ Cooperation mainly focuses on border security, trans-border crime, terrorism and the amelioration of transport infrastructure leading to more profitable and cost-effective trade.

Another objective of Greek foreign policy is to maintain good relations with both the US and Russia. The European-Atlantic character of the Greek foreign policy cannot be questioned as it has been constantly proven throughout Greece's political and diplomatic history. Nevertheless, Greece is also interested in keeping a balance between its loyalty and commitment to its Western Allies and its traditionally good relations with Russia, despite the recent diplomatic fallout with the expulsion of Russian diplomats.

The role of Turkey in the Balkans is another concern for Greek foreign policy. Bearing in mind the frequent instability and friction between the two states in matters of foreign policy, Greece feels that close Turkish relations with the states of the Western Balkans would undermine its own relations with these states, out of fear that they will strategically be used as an additional lever of political pressure to further the Turkish foreign policy agenda.

¹ Hellenic Republic, Ministry of Foreign Affairs (14.02.2011). <https://www.mfa.gr/images/docs/periferiaki_politiki/HiPERB_en.pdf>, accessed on 17.09.2018.

Greek-Albanian Bilateral Relations

The Greek-Albanian relations can be characterised by continuous efforts for further cooperation. They hold diplomatic relations since 1971 which by necessity became closer since the mass illegal immigration of Albanians to Greece in the early 1990s. In the 2011 census, the Albanian immigrants constitute 4.5% of the population in Greece and they have become the largest (56%) non-Greek ethnic group.² The initial distrust between the two nations has been gradually replaced by good societal relations on account of the Albanians' willingness to integrate into the Greek society, a positive outcome which is desired to transcend to the state level.³

In 2017, remittances from the Albanian diaspora in Greece reached 1.15 billion per year which, amounts to 12% of Albania's GDP.⁴ According to Gent Sejko, the Governor of the Bank of Albania, the remittances from the Albanian diaspora are "an important contributing factor for the economy of Albania" and "represent a steady and considerable source of inflows, which surpass foreign direct investments, being thus a substantial source of financing economic growth in Albania."⁵ Greece is only second after Italy (40%) as destination countries for the Albanian economic migrants with 37%. For the period 2008-2017, the remittances to Albanian GDP ratio averaged 9.1%.⁶

Official statistics show that Albania is very homogeneous with a more than 97% Albanian majority, but minority groups like the Romans, Greeks and

² Greece Population (18.07.2018). <<http://worldpopulationreview.com/countries/greece/>>, accessed 16.09.2018.

³ Adamczyk, A. (2016). *Albanian immigrants in Greece: from unwanted to tolerated?* Journal of Liberty and International Affairs, 2(1), 49-59.

⁴ Bank of Albania: *Remittances: A support for development* (16.06.2018), p. 5. <https://www.bankofalbania.org/rc/doc/Remitancat_Revista_eng_12103.pdf>, accessed on 16.09.2018.

⁵ Speech by Mr Gent Sejko, Governor of the Bank of Albania, at the high-level meeting on the remittances from the Albanian diaspora, Tirana, 11 December 2017. Gent Sejko, Central Bank speech (8/1/2018). <<https://www.bis.org/review/r180108h.pdf>>, accessed on 05.09.2018.

⁶ Bank of Albania: *Remittances: A support for development* (16.06.2018), pp. 10-16. <https://www.bankofalbania.org/rc/doc/Remitancat_Revista_eng_12103.pdf>, accessed on 16.09.2018.

Macedonians have challenged this data, claiming a larger share for their communities. Three national minorities are recognised: Greeks, Macedonians and Montenegrins. At the 2011 census, the population of Albania was officially 83% Albanian and 0.9% Greek. Many minority groups have criticised the country's census law which imposes a \$1,000/€700 fine on anyone who declares an ethnicity that differs from what is on their birth certificate on the official registry catalogues.⁷

According to the Bank of Albania, Greece is Albania's main trading partner and the largest foreign direct investor in the country, which despite the Greek economic crisis continues to increase every year.⁸

Greece has chosen a policy of cooperation over Albania's isolation in the fields of military training, tourism, culture, transport and energy infrastructure with the construction of the Trans Adriatic Pipeline (TAP) being the most important one. The initiative in many projects is not bilateral but through EU or NATO cooperation programmes.

Greece strongly supported Albania's NATO and EU membership and the visa free entry of the Albanian population into the Eurozone. As a result, Albania became a full NATO member in 2009 and in 2014, under the Greek EU Presidency, it was officially granted EU candidate status.

Indicative of good diplomatic relations was the agreement reached between the Greek and Albanian foreign ministers, to satisfy the decade-long Greek demand to identify and bury the remains of Greek soldiers who died during the Second World War in designated military cemeteries close to the battle-

⁷ *Albania Population* (2018-07-02). <<http://worldpopulationreview.com/countries/albania/>>, accessed on 16.09.2018.

⁸ *Greece remains biggest investor*. E-kathimerini (04.07.2017) <<http://www.ekathimerini.com/219808/article/ekathimerini/business/greece-remains-biggest-investor-in-albania>>, accessed on 18.09.2018.

fields where they fell. Their number has been estimated to be 7,976 according to ex-minister Georgios Sourlas.⁹

Currently, approximately 700 soldiers' remains have been identified and buried although their families were not allowed to approach during the burial.

Turkey has good relations with Albania and it may be influencing the Albanian policy regarding the Chams or other matters related to Greece. More specifically, there are allegations that in 2015, President Erdogan discussed this issue with the Albanian nationalist Party for Justice, Integration and Unity.¹⁰

State of War

There is a popular belief that Greece and Albania are officially still at a state of war, an issue that is often used in bilateral negotiations, and which is not constructive for the relations of the two states. Is the issue still valid, or even an issue, considering that the two states have signed a Treaty of Friendship in 1996, have not engaged in hostilities for seventy-one years and are both NATO members?

The status of Albania and Greece in the beginning of WWII was different as Albania had been annexed by Italy in 1939 and was acting as a protectorate and not an independent sovereign state. When on 12th of April 1939 Mussolini established the Italian empire, the Albanian Parliament decided on the reign of Zogu I that any enemy of Italy is also an enemy to Albania.

⁹ Ιστορική Στιγμή: Ξεκίνησε η εκταφή των Ελλήνων Πεσόντων του '40 στο μέτωπο της Αλβανίας/ Istoriki Stigmi: Ksekinise h ektafi ton ellinon pessondon tou '40 sto metopo tis Alvantias [Historical Moment: the exhumation of the Greek soldiers who fell in the war of '40 at the Albanian Front began] (22/01/2018). <<https://www.protothema.gr/world/article/753214/istoriki-stigmi-xekiise-i-ektafi-ton-ellinon-pesodon-tou-40-sto-metopo-tis-alvantias/>>, accessed on 29.10.2018.

¹⁰ Chrysopoulos, Philip: Albania Raises Border Issues with Greece (19.05.2015). <<https://greece.greekreporter.com/2015/05/19/albania-raises-border-issues-with-greece/>>, accessed on 15.08.2018

Greece, an independent state at the time, was presented with an Italian ultimatum and was subsequently attacked on the 28th of October 1940 through the Greek-Albanian border with the support of seven Albanian army battalions. The supposition of the existence of a state of war with Albania is supported through a Royal Decree, no. 2637/1940, published in the official journal of the Kingdom of Hellas on the 10th of November 1940, issue 379, regarding the legal transactions of enemies and their properties. Specifically they interpret the Annex of the implementing rules (no. 2637/1940) whereby the enemy states in relation to Decree 2637 explicitly, are regarded as Italy, its domains, imperial territories and colonies and Albania, as the declaration of war, despite the fact that Greece was invaded a full two weeks earlier.

After Italy had surrendered to the Allies in 1943 (Armistice of Cassibile), it signed the Paris Treaties of 1947 which officially ended the war, and by extension the Italian colonial power and the independence of Albania was recognised.

As a gesture of good will, the government of Prime Minister Andreas Papandreou annulled this Royal Decree with a ministerial council decision on the 28th of August 1987. The Greek Foreign Minister Karolos Papoulias proposed this as it aimed at discouraging Albania from turning to the Soviet Union, which was in confrontation with Belgrade over Kosovo.¹¹

Albania uses the state of war as a bargaining tool in negotiations on border issues and regarding the Chams. The problem is that this is often used to imply that the lack of annulment by the Greek parliament is a disguise for Greece's territorial claims against Albania. As a matter of fact, Albania has not officially cancelled its declaration of war either. The Albanian Parliament in April 1939 decided on the reign of Zogu I that any state in war with Italy is also an enemy to Albania. In 1944 Enver Hoxha while laying the foundations of the Communist state at the Conference of Premeti, de-

¹¹ Nini, Anna: Πριν από ακριβώς 30 χρόνια σταματήσαμε να βρισκόμαστε τυπικά σε πόλεμο με την Αλβανία / Prin apo akribws 30 xronia stamatisame na vriskomaste typika se polemo me tin Alvania [30 years ago we ended the state of war with Albania]. 28/8/2017, Vice, <<https://www.vice.com/gr/article/599j9d/prin-apo-akribws-30-xronia-stamathsame-na-briskomaste-typika-se-polemo-me-thn-albania>>, accessed on 19.08.2018.

clared the annulment of all previous government decisions and thus, of the state of war with Greece, way earlier than Andreas Papandreu did in Greece. In 1992 the government of Sali Berisha cancelled the decisions of the communist regime and restored the ones of King Zogu I hence, by reinstating the state of war. As a result, neither the Albanian nor the Greek Parliament has annulled the state of war between the two countries.¹²

The issue of the state of war between the two countries remains an institutional matter, which lasts for 71 years as none of the parliaments wants to abolish it. From time to time, nationalists have used it as a propaganda tool to prove that there are still territorial claims in order to unify territories based on ethnic identity.

It is interesting to mention that Russia and Japan are also technically at a state of war, which Russia offered to terminate on September 2018, only to receive a reply from Japan requesting the return of islands in the Pacific occupied by Russia in the last days of WWII. Russia replied that the ownership of the islands in question is already transfixed by international law and as such it is undisputed. No mention of whether they are still committed in the signature of a peace treaty.

Albanian Chams

Since the 1990s, Albania demands the repatriation of the Albanian Chams and the return of their properties. The Albanian Chams lived in the Epirus region and had converted to Islam during the Ottoman Empire. In 1944, with the withdrawal of the Axis forces, many of them fled to Albania. The remaining Chams were expelled from the Epirus region because of their collaboration with the occupation forces. A minority of Chams, who remained in Greece were Christian Orthodox and were eventually integrated into the Greek nation. Albania continues to pressure Greece with demands for the recognition of the Albanian Chams. Since 2009, they have been represented in the Albanian Parliament through the Albanian Party for

¹² Tzimas, Stavros: Η κατάργηση του «εμπολέμου» / I katargisi tou “empolemou” [The abolition of the state of war]. I Kathimerini (18.10.2013). <<http://www.kathimerini.gr/737298/opinion/epikairothta/arxeio-monimes-sthles/h-katarghsh-toy-empolemoy1/2>>, accessed on 20.08.2018.

Justice, Integration and Unity (PDIU). In the 2013 Albanian parliamentary elections, the PDIU party joined the governing coalition of Socialist Edi Rama but its popularity fell in the 2017 elections.

The Cham property issue is tightly connected to territorial rights in the Epirus region. It is often utilised in reaction to Greek claims regarding the violation of minority rights of the Greek minority in the south of Albania. Greece refuses to recognise an ethnic community that committed atrocities against the local population and betrayed their country.

Greek Minority

Greece complains for mistreatment of the recognised Greek minority in Albania. The minority is located in the south of Albania or otherwise, in the North Epirus region. As Italy and Austria supported the creation of an Albanian state, they obliged Greece, Serbia and Montenegro to give up territories they had liberated from the Ottomans. Northern Epirus, one of those territories, was given to Albania when Italy drew the Greek-Albanian border and solidified it with the Florence Protocol in 1913 despite Greek objections. The signatory states were Great Britain, France, Russia, Italy Austria-Hungary and Albania. Although the 1914 Corfu Protocol recognised Northern Epirus as an autonomous region of the Albanian state, it was never implemented even though Albania had signed the Protocol.

The Greek minority in Albania has been struggling ever since and continuously requests its rights being equalised by the OSCE and the EU to all national minorities as well as the fulfilment of its autonomous status.¹³ The protection of the minority has always been in the diplomatic agenda of the two states. Small steps are taken when Albania aims to normalise its relations with Greece but there has not been a change in the Albanian state's policy towards the minority. On September 12th, 2018 the "Movement of the Renaissance of Northern Epirus" presented the problems the national minority is facing in Albania at the OSCE Human Dimension Implementation Meeting in Warsaw.¹⁴

¹³ OSCE, <<https://www.osce.org/odihr/393332?download=true>>, accessed on 17.09.2018.

¹⁴ Ibid.

The minority instead of thriving it has been diminishing in numbers, which the minority claims to be fictitious as the government manipulates the data of the censuses. Albania also redrew the borders of its municipalities in such a way that the ethnic Greek element is diluted by mixing it with the rest of the population. The Albanian state regards as Greek minority only the residents in the Regions of Vlora/Avlona and Gjirokastra/Argyrokastro thus, not counting the Greeks living beyond the minority zone. According to the group's presentation to OSCE, in 1991 the Greek minority counted 300,000 members while the 1989 census found 58,000 Greeks. In addition, the results of the 2011 census discounted the Greeks outside the above-mentioned regions, the "Greek minority zone" and resulted in 24,243 Greeks with only 15,196 having Greek as their mother tongue. The significance of the numbers lies in the consequences of the minority's political participation and representation in the public administration and the government (number of seats in the parliament, political parties, representation in electoral committees and in the Regional Councils). The group went on to complain about its limited or not existing access to the airwaves and TV. There is access to printed news but there are problems with their distribution.

The minority also faces problems with the application of the Albanian law and the lack of fair treatment by the judiciary. The recent incident with the shooting and killing of a member of this minority and Greek national by the Albanian police and Special Forces is an example of law implementation that directly affects Greek-Albanian relations. There are also problems in reference to the protection of the Greek properties against illegal claimants and the state itself. The Albanian state under the pretence of the city waterfront development for the sake of tourism justifies the demolition of houses and shops belonging to the Greeks in Himara. The illegal demolitions continue despite the decision of the administrative court of Avlona.

Greek-Albanian EEZ

The delimitation of the Exclusive Economic Zone (EEZ) in the Ionian Sea is an important issue in the bilateral relations of Albania and Greece. Attempts to settle the issue have led to the signature of a bilateral Maritime Agreement in 2009 between Kostas Karamanlis and Sali Berisha. The Agreement was settling the maritime borders and the continental shelf and defined the Exclusive Economic Zone of both countries. In 2010 however, Edi Rama took the case to court. The Albanian Constitutional Court argued that the Agreement breached the Constitution and decided to annul it.

In relation to the exploration of the hydrocarbon reserves in the Ionian Sea, Prime Minister Edi Rama claimed in 2017 that Greece cannot precede without the permission of Albania, thus, indicating the creation of grey zones of sovereignty in the area, a policy mastered by Turkey vis-à-vis Greece. In January 2018, however, Nikos Kotzias stated that both countries had reached a preliminary agreement for the delimitation of the EEZ and that Albania had accepted the extension of Greece's territorial waters according to the UNCLOS.¹⁵

It should be noted that the Hellenic Petroleum has already signed a joint venture with the energy companies of TOTAL and EDISON to exploit the contested by Albania bloc Ionion 2, thus, indicating that Greece has territorial claims.

The recent tensions in the Greek-Turkish relations following the resignation statements of the former Foreign Minister Kotzias regarding the delimitation of the EEZ, have stopped any negotiations with Albania. According to Kotzias, both countries had already agreed for the extension of the Greek territorial waters to 12 miles, which would facilitate the delimitation of the EEZ, he further stated that the presidential decrees have already

¹⁵ Συμφωνία Ελλάδας-Αλβανίας για τον καθορισμό ΑΟΖ ανακοίνωσε ο Κοτζιάς / Symfonia Elladas- Albanias gia kathorismo EEZ anakoinose of Kotzias [Kotzias announced agreement between Greece and Albania for the delimitation of EEZ] (30.01.2018). <<http://www.skai.gr/news/greece/article/365672/sumfonia-elladas-alvanias-gia-kathorismo-aoz1/>>, accessed on 02.11.2018.

been drafted to be signed.¹⁶ Nevertheless, Turkey in an attempt to avoid the extension of Greek territorial waters sovereignty to 12 nautical miles took measures to remind Greece of the 1995 Turkish declaration of *casus belli* in such a case.

Albanian interests are not only limited to sea resources. In 2015 Albania showed its interest in land resources located in the region of Epirus, north of Ioannina, thus, doubting the validity of the Greek-Albanian land border.¹⁷

*Greece and FYROM (now North Macedonia): Name dispute*¹⁸

Greek relations with its neighbouring FYROM are in the process of been normalised and strengthened as both countries negotiated an agreement for the resolution of the name dispute. The successful completion of the institutional stages (Articles 1 (4)) for the ratification of the “Final Agreement for the Settlement of the Differences,” signed on June 17th, 2018, paved the way for FYROM’s membership into NATO and the EU under the name of “North Macedonia” (Articles 1(10b) and 2 (4)).

The agreement does not only solve the name dispute but it officially recognises the Macedonian identity and nationality (Article 1b). Greece has recently raised concerns regarding the terminology used in the English version of this Article. More specifically, in the English translation of the text, the term “Macedonian nationality” is used interchangeably with “citizenship of the Republic of North Macedonia.” Greece, in its effort to decouple the Macedonian ethnicity and nationality from the Macedonian identity, indicates that the Agreement recognises a distinct Macedonian citizenship

¹⁶ Επέκταση των Ελληνικών χωρικών υδάτων στο Ιόνιο προανήγγειλε ο Κοτζιάς / Epektasi ton ellinikon xorikon idaton sto Ionio proaniggile o Kotzias [Kotzias pre-announced extension of the Greek territorial waters in the Ionian sea] (20.10.2018), <<http://www.skai.gr/news/greece/article/387025/epektasi-ton-ellinikon-horikon-udaton-sto-ionio-proaniggeile-o-kotzias/>>, accessed on 02.11.2018.

¹⁷ Chrysopoulos, Philip: Albania Raises Border Issues with Greece (19.05.2015). <<https://greece.greekreporter.com/2015/05/19/albania-raises-border-issues-with-greece/>>, accessed on 15.08.2018.

¹⁸ This article was written before the “Prespa Agreement” was implemented and FYROM officially renamed Republic North Macedonia in February 2019.

but not a Macedonian nationality. This aims to enhance the fact that the Macedonian language belongs to the group of South Slavic languages and that both the language and the state attributes are not rooted in Hellenic antiquity, history, culture and heritage of the province of Macedonia in the north of Greece (Article 7 (4)). The acceptance of this clarification or change is to be seen as Article 20 (9) and states that no modification of Article 1 (3) is permitted.

The agreement affirms the intensification of bilateral cooperation and development of an Action Plan for the sectors of agriculture, civil protection, defence, economy, energy, environment industry, infrastructure, investment, political relations tourism, trade, trans-border cooperation and transport.

The agreement lays out a lengthy process of legal adaptation and institutional changes that may take years to complete. However, Article 1 (4e) states that FYROM should complete the constitutional changes by the end of 2018 in order for the Greek parliament to ratify the Prespa Agreement.

The political fermentations taking place in FYROM in order to obtain political support for the positive outcome of the referendum and the constitutional amendments have caused domestic political turmoil. This has led to political polarisation and instability in the country as the to this agreement opposing party VMRO-DPMNE claimed that the referendum is not valid due to the low voter turnout (36%) and due to violations of the electoral law.¹⁹ The party has been scrapping party members and members of parliament (MPs) who deviate from the party line regarding the issues pertaining to the agreement and the constitutional amendment. At the same time, a corruption investigation against VMRO-DPMNE with reference to illegal campaign funding for the period 2009-2015 is in process. The political struggle between the prime minister and the president of the republic only intensifies the political crisis.

On the bargaining table there is also the demand by the small Albanian parliamentary parties to include in the constitution the protection of the

¹⁹ International Office VMRO-DPMNE, tweets 27/9/2018, 4/10/2018, <<https://twitter.com/IntOfficeVMRO>>, accessed on 30.10.2018.

Albanian language and its institutionalisation as an official language. This proposal is an additional issue for debate in the parliament during this difficult process.

Bearing in mind the political obstacles the government in Skopje has to overcome, the question is what will happen if the deadline set in Article 1(4e) is not met considering that Article 20 (9) does not allow for any modifications. It seems that it all boils down to the political will of the parties involved.

In the meantime, the two states continue to foster cooperation. On the 1st of November the Deputy Prime Minister of FYROM Bujar Osmani took the first, in ten years, direct flight from Skopje to Athens to visit the Greek Deputy Foreign Minister George Katrougalos. One thing is for certain, the ratification of the agreement by the Greek parliament signifies the end of the long standing name dispute and the beginning of a new relationship of “Northern Macedonia” with its neighbours and the international community.

Greek-Turkish Bilateral Relations

Disputes about Greek Sovereignty

Despite the fact that the focus of this work is Greece’s relations with its Western Balkan states it is not possible to overlook Greece’s issues with its biggest and strongest neighbour. Greek-Turkish relations determine to a large extent Greek foreign policy towards the Balkans as Turkish foreign policy continues to challenge the established territorial status quo and thus, Greek sovereignty.

Turkey has been implementing a policy of provocation since the 1970s, despite the implementation of Confidence Building Measures since 1999. It has been challenging the legitimacy of Greece’s land and maritime borders by not recognizing the outcomes of internationally accepted Treaties, such as the Treaty of Lausanne. It disputes Greek sovereignty over islands in the Eastern Aegean (Kastelorizo, Agathonisi, etc.) to the southwest of the island of Crete (Gavdos) thus, creating “grey zones” or areas of unclear sta-

tus. The delimitation of the continental shelf is an issue of contention between the two states where Greece is not allowed to expand its water border to the 12 miles, a coastal state's right according to the United Nations Convention on the Law of the Sea (UNCLOS). Although Turkey has not signed the UNCLOS, it has settled the delimitation of its EEZ with its neighbouring Black Sea states and has extended its territorial waters to 12 nautical miles. It does not only challenge the Greek Navy but it terrorises the local fishermen from the region of Evros to the Aegean Sea. It constantly violates the Greek national airspace, the Athens FIR and international air traffic regulations.

Muslim Minority in Western Thrace

The large Muslim community residing in Western Thrace has an official minority status and according to the Treaty of Lausanne it constitutes of a Muslim minority and not a Turkish one. The minority did not participate in the exchange of populations of 1923 between Greece and Turkey. For decades now Turkey tries to draw this minority and other non-Greek ethnic groups closer to Turkish culture, language and religion. This has caused antagonism between Alevites and Sunnis in the region. Turkey has taken advantage of Greece's economic and political neglect of the region and has filled in the gap. In 2018, the Greek state, in the name of the protection of minority rights and religious freedom, decided that the Mufti religious leaders will no longer be appointed by the Greek state but will directly be elected by the minority, thus, enhancing Turkish influence through religion. Greece lacks a coherent policy in the region and allows Turkish influence to take place through settlement, economic support and the purchase of land in the region. President Erdogan challenged Greek legitimacy and engaged in propaganda during his official visit to Greece in Kommotini (Western Thrace) in 2018.

Refugees and Illegal Migrants

The EU-Turkey agreement on migration renders Turkey a vital partner for the EU and the non-EU states located on the Western Balkan Route, thus, indirectly increasing its power in the region. Since its signature in March 2016, the illegal crossings to Greece have been reduced by 97%. Nevertheless, Turkey benefits not only financially through the allocation of 6 billion

euros in migration related projects but also politically, as the agreement is used as a pressure tool against Greece, which is struggling to deal with irregular migration and the refugee crisis as well as Europe for the attainment of Turkish objectives. The strategic position of Turkey as a transit state to Europe, allows it to unofficially open or close its “migration doors” according to its economic and political interests.

Cyprus

The annexation of Northern Cyprus in 1974 and the unilateral declaration of Northern Cyprus’ independence in 1983 is a thorn in Greek-Turkish relations. The return of the Greek-Cypriot refugees, the return of the Greek-Cypriots’ properties and finding the missing persons are the permanent issues of confrontation between the two states. Turkish attempts to participate in the exploitation of the energy reserves found in the Cypriot EEZ along with the creation of a Turkish military base in the North of Cyprus are new issues of confrontation.

Greece firmly believes that the inclusion of Turkey into the EU will benefit their bilateral relations as accession to the EU requires the delineation of Turkish policy to the *acquis communautaire* and assumes democratic practices that lead to cooperation. Turkey however, has proved that membership in the same organisation with another state such as NATO for example, does not inhibit it from pursuing an aggressive external policy towards a fellow member.

International Actors

There has been an increase in the presence of international actors in the Western Balkans and South East Europe. The US and the EU are focusing their diplomatic, political, economic and military support in the admission/incorporation of the remaining Western Balkan states into the EU and NATO. Strengthening the respect for democratic values and processes will make these states less susceptible to external influences. It is well documented that there is a race of influence between the US and Russia and Turkey in the Western Balkans and South East Europe.

The US undertook the role of an agreement broker in the case of FYROM and Greece with the renewed UN mandate to Matthew Nimitz as a media-

tor for the resolution of the name dispute in 2018. In addition, the visits of US along with European and EU officials especially after the agreement, show the strong support of the US and Europe to finalise the name dispute and the anxiety for FYROM's immediate accession into NATO.

The US demonstrates its presence and power in the Western Balkans and South East Europe vis-à-vis Russia and Turkey in various ways; it visibly supports FYROM's attempts to fulfil the Agreement requirements, it disregards the Russian objections regarding the Prespa Agreement and it used economic and political pressure to persuade Turkey to release the American pastor Andrew Brunson as well as the Greek officer Angelos Mirtetodis and soldier Dimitris Kouklatzis before their trial. In addition, it renews its military engagement in Greece by strengthening the US existing military bases in Greece (Souda and Tanagra) as well as by planning the establishment of new ones that would support the US presence in the Mediterranean.

Russia on the other hand, does not want an EU and NATO enlargement to the East and does not appreciate western states' meddling in countries falling under its traditional sphere of influence such as Ukraine, Moldova, Crimea and the South Caucasus. In retaliation, Russia has extended its perceived sphere of influence to include the Western Balkans.

The One Belt and One Road Initiative allows China to expand its influence beyond its territory. It has been implementing debt diplomacy to increase its economic influence; it has increased its commercial power through worldwide trade and it gains political influence in various countries and whole regions by controlling vital road, rail and maritime infrastructure. Hence, China should be considered an influential actor, positioning itself for a more primary role in Western Balkans and South East Europe.

The Prespa Agreement has been welcomed by the European states and the EU is using the Agreement as a good example of dispute resolution and conflict prevention, a policy they desire to have a spill over effect to the rest of the region.

Policy Recommendations

- Bearing in mind the bilateral relations of Greece with its neighbours, it is strategically essential that its foreign policy firmly supports its internationally accepted sovereign rights and that it is implemented in a manner that encourages the resolution of any issues before they escalate. A policy of concessions and understanding does not necessarily lead to better relations, as it implies that the parties are not equal. The postponement of any dispute resolution for more favourable political conditions, although at times preferred to avoid the ignition of new problems, may not be the best policy as circumstances and time constraints obscure its management and perpetuate its resolution.
- It is imperative that the agreements reached in the Western Balkans and South East Europe through the diplomatic channels yield permanent results that prevent any possibility for certain issues to re-surface again.
- Meddling in the internal affairs of neighbouring states is frowned upon by international law and in the cases where it is considered politically beneficial for the normalisation of neighbourly relations, it should be very carefully implemented as it may lead to unpredictable consequences for the stability and security of the regions. The visible support and pressure from US, NATO, EU, and European state and government officials, directed towards FYROM's opposition and citizens during the referendum of September 2018, could be easily considered as “meddling” by critics. The EU is anxious to solve outstanding political issues that may inhibit an EU further enlargement. It would be wiser for the EU to solve its internal challenges prior considering adding more members.
- Any border changes carried through, even in a peaceful manner, should be very carefully designed and implemented, as there is always a historical event that will justify an action with opposing aims and results. In this case, the discussion favouring the exchange of ethnically defined territories between Kosovo and Serbia will set a

precedent for border changes in the region and will increase territorial claims from neighbouring states. The legalisation of territorial claims and the acceptance of the creation of “grey zones” will eventually lead to conflict.

- Accordingly, the agreement between Albania and Kosovo to abolish their borders in January 2019 would increase the territory governed by Albania and would seek to unite the population of Albania decently. The burning question then is, if this agreement is in conjunction with the establishment of a stronger Albanian presence in FYROM that will serve for the realisation of a Greater Albania by uniting all Albanians and the diaspora residing in the neighbouring countries.
- Turkish interests in the region have to be taken into consideration by Greek policy makers as they may determine Greek relations with its northern neighbours. The Greek foreign policy of appeasement does not seem to benefit Greek-Turkish relations. Turkey has been following a policy of provocation, aiming at altering the status quo in order to enhance its sphere of influence. The case of Cyprus is a good example of this. Hence, Greece must rethink its policy as it may be considered as an expression of weakness, fear and retreat. It should firmly defend its own rights without reverting to military solutions. The EU should condemn such actions and it should support its members as in reality it defends its own territory and external borders.
- In some cases, changing the status quo in favour of stability may seem appropriate for the short-term but may not be suitable for a long-term solution, as the rise of nationalism in the region yields to a higher probability of ethnic tensions. Also, attempts to change the history do not solve conflicts. Instead respecting history and most importantly learning from it, will lead to long lasting peace in these regions.

Understanding Albanian-Greek Relations: Deconstructing Paradoxes and Myths¹

Albert Rakipi

For more than a century – a period coinciding with the history of the modern Albanian state – Albanian-Greek relations have been dominated by two fundamental issues: the issue of territorial or border disagreements and the issue of minorities; typical phenomena for two neighbouring nation-states.

Disagreements over territory, the border and minorities have been historically and remain the principal sources of tension in bilateral relations. They have fed a cyclical relationship of crises with frequent ebbs and flows, interspersed with periods of co-operation, which always revert to a state of tension without ever reaching all-out conflict in the classic meaning of the word.

At first glance, disagreements over territory and borders and minorities seem like a mundane history for two neighbours, states founded in the vacuum left by the contraction or collapse of an empire, as was the case with the shrinking of the Ottoman Empire in the Balkans.

This essay will analyse how and why historical disagreements over territory, borders and minority issues, which date back to the beginning of the twentieth century and about which – especially the border question – neither Albania nor Greece substantially disputes the status quo, have continued over the last twenty-five years to be the main sources of tension and cyclical crisis.

A Brief Excursion into History

Three historical periods have defined the nature and the problem of Albanian-Greek relations over the last hundred years.

¹ This paper is part of the study “Understanding Albanian Greek Relations: Deconstructing Paradoxes and Myths”.

Firstly, the period of national movements in the Balkans and the withdrawal of the Ottoman Empire at the close of the nineteenth century and the dawn of the twentieth. These movements brought the founding of new states in the Balkans, whose territories and borders did not necessarily conform to ethnic boundaries. In a special way, the case of Albania was more significant, more critical. The creation of an Albanian state and her recognition by the European Powers saw the division of Albanian lands among her neighbours, including Greece. The Balkan political map was thereby completed, but the territories that according to this map would be recognised as states, and the borders between them, would be the principal sources of future conflicts and tensions. The two Balkan Wars and the First World War brought into dispute lands in the north of Albania and, thanks to Greek claims, the south; at their most extreme they called into question the very existence of the Albanian state.

Secondly, the Second World War, at the outbreak of which Greece and Albania in fact accidentally found themselves on different sides, because of the actions of third parties. Italy attacked Greece in October 1940, using Albanian territory which she had occupied since April 1939. At this time two of the most important elements of Albanian-Greek relations became linked, elements which are still on the table seventy years later and still linked to each other: the War Law, which paradoxically remains in force, and the issue of the Chams. By the Royal Decree of 10th November 1940, Albania was declared an enemy together with Italy. As strange as it may seem, this act remains in force even today. Likewise, although the trajectory of the Cham issue was initiated in 1913,² with the end of the Balkan Wars and the placing of the Chams under the jurisdiction of the Greek state, it was the dramatic developments of the Second World War that made the Cham issue relevant even today, and one of the historical problems on the negotiating table. In this way, Albania's involvement in the Greek Civil War, during and immediately after the Second World War, not only created a tension in bilateral relations but also jeopardised Albania's territorial integrity and affected her relations for a prolonged period.

² For a detailed understanding of the Cham issue, see Eleftheria K. Manta, *Muslim Albanians in Greece, The Cham Epirus (1923- 2000)*, Institute for Balkan Studies, Thessaloniki 2008.

Third, the Cold War and the East-West division left these two ancient Balkan neighbours in opposing camps. Albanian-Greek relations in this extended phase were deeply affected by the Cold War climate and, at least until 1970, the unchanging reality between the two was a state of perpetual hostility.

Although Greece was one of the few western countries with which Albania's communist regime managed to establish at least diplomatic relations, and to a very modest extent economic co-operation, the two would remain generally isolated from one another for decades more. Communication between the peoples, the oldest neighbours in the region, was interrupted immediately after the Second World War. Inter-state relations were particularly tense until the beginning of the seventies. Besides the ideological division affiliating the two with rival blocs, the enduring political tensions between the two countries were fuelled chiefly by a historical legacy of conflict and fundamental historical disagreements, which had bloomed during the founding and the independence of the two, and more especially with the creation of an independent Albanian state at the beginning of the twentieth century.

With the end of the Cold War and the fall of the communist regime in Albania, another factor began and would continue to affect the nature of Albanian-Greek relations – Albanian emigrants, and the continued emigration of Albanians, to Greece.³ *The wholesale emigration of Albanians to Greece* has served as a kind of living, intensive engagement between the two societies. This massive Albanian presence in Greece has revolutionised political, economic and social relations between the populations, previously long separated because of the Cold War and Albania's extreme self-isolation under communism.

The emigration of more than a sixth of the Albanian population into Greece at once created other problems, related to the integration of these new arrivals, their economic and social status, and human rights.

³ Since 1991, several hundred thousand Albanians have migrated to and settled in Greece. The big migration wave that followed shortly after the reopening of Albania's borders, was directed towards Greece as a destination country. Although exact data is lacking, comparable to the case of Italy where 540,000 Albanian emigrants were registered, it is reckoned that at least 700,000 Albanians have settled in Greece in the last 25 years.

The nature of the international system, and the nature of the regimes governing the two states throughout this hundred-year period, were both important factors which influenced the particular dynamics of Albanian-Greek relations, but in any case it was at no point possible for the two states to move decisively towards a final resolution of the points of dispute.

Lastly, but not the least important, the populist approaches adopted by the two administrations diminished the possibility of resolving the disagreements created principally during the first half of the twentieth century.

The Grand Paradox: Two NATO Members in a State of War

The paradoxes and myths of Albanian-Greek relations, as in the histories of other peoples, are bound up with war and more generally with the past; but in the case of Albania and Greece, the scale of the influence of the past is extraordinary. In 1996 Albania and Greece signed a treaty of friendship and co-operation, the fullest diplomatic instrument possible, the formalisation of an atmosphere of peace and collaboration between the two. But in the most surprising way, there remains in force between them a ‘War Law’, approved in 1940 by the Greek parliament.

Since 2009 both Albania and Greece have belonged to NATO. But despite their common membership of an alliance whose member states have agreed to engage in joint defence in the case of attack by a third party,⁴ Greece maintains the Royal Decree of 1940 by which Albania is an enemy for her.

Beyond this is the paradox of paradoxes: in 1949 Greece abrogated the equivalent law by which Italy was declared an enemy, but left in place that referring to Albania, thereby declaring Albania her enemy despite the fact that it was Italy who had attacked her, from Albanian territory itself occupied by the Italians.

After almost two centuries the narrative of Northern Epirus – which in geographic terms refers to fully half of modern Albania, has become a myth – like the *Megali Idea* itself. Meanwhile the Cham question, which 70

⁴ Article 5 of the North Atlantic Treaty.

percent of Albanians perceive as the principal problem in relations between Albania and Greece,⁵ continues to nourish the narratives of parties, media, and certain other elements in Albania – without daring to unpack the myth itself and ‘look within’.

The paradoxes and myths are more than historical: Greece is Albania’s leading economic partner and, continuously ever since the collapse of communism more than 25 years ago, at least 700,000 Albanians have emigrated and now live and work in Greece. Meanwhile, the majority of those Albanians who believe that their country is endangered and that national security is at risk believe that the threat comes from Greece.⁶

Albania and Greece, though NATO members, also differ when it comes to certain foreign policy orientations and activities in the Balkans. Greece’s traditional alliances in the region have historically been regarded with suspicion by Albania. This was particularly so after the redrawing of the Balkan political map by the creation and recognition of a new state: Kosovo. Greece remains one of two Balkan states, and one of five EU members, that have not recognised Kosovo as an independent state. The question of how much Greece’s non-recognition of Kosovo has affected Albanian-Greek bilateral relations is arguable; but in the end it is a factor that, if it does not influence the practical sphere of relations, does undoubtedly influence the virtual sphere – which remains hostage to those paradoxes and myths.

Disagreements over Territory and Borders

When the student Eleftherios Venizelos gathered his friends around a large map and defined the borders of Greece, he aspired to half of present-day Albania and almost all of modern Turkey.⁷ Albania at that time did not exist as an independent state. But only a few decades later, in 1919, the one-time brilliant law student Venizelos had been named Prime Minister of

⁵ See *Albania and Greece*, Albanian Institute for International Studies, Tirana, 2013.

⁶ See *European perspective for Albania*, Albanian Institute for International Studies, Tirana, 2016. See also *Twenty Years After: People on State and Democracy*, Albanian Institute for International Studies, Tirana 2014.

⁷ Margaret Macmillan, *Paris 1919 – six months that changed the world*, Random House, p 348.

Greece, and in the name of the Greek delegation to the Peace Conference he set out the arguments as to why she should be given half of Albania – or ‘Northern Epirus’, as it pleased him to call it.⁸

Although the Paris Peace Conference had not accepted Greece’s pretensions to the so-called Northern Epirus, in 1946 the Foreign Ministers of four remaining great powers – the USA, the USSR, Great Britain and France recognised the Greek arguments and claims to southern Albania.

Throughout the Cold War these territorial claims were a factor of tension between the two countries, and an unspoken obstacle to the establishment of diplomatic relations for at least a few decades after the end of the Second World War. The reasons why the two states did not actually come to blows should be sought in the Cold War, in the rivalry of the great powers, as well as in Balkan rivalries of long historical standing as far as the recognition of an independent Albanian state and her territories was concerned.

The establishment of diplomatic relations, in 1971, marked a positive step towards the elimination of one of the sources of tension between the two countries – Greece’s territorial claims according to the Northern Epirus manifesto. From that time a gradual stepping back by Greece was perceptible, as well as an official effort in Tirana not to identify Greek national policy with the Northern Epirus thesis, still supported in reactionary circles in Greece, including also the Orthodox Church, which sought in chauvinist fashion to obstruct the rapprochement of Greece with Albania.⁹

It can with confidence be asserted that, with the end of the Cold War and the fall of the communist regime, the territorial claims of the Northern Epirus manifesto and ideology were finally consigned to the past. Further progress – the signing of the treaty of friendship between the two countries and Albania’s accession to NATO¹⁰ – definitively terminated any territorial pretension created and sustained by history.

⁸ Ibid. p. 351.

⁹ Enver Hoxha, *Dy Popuj Miq*, 8 Nëntori, Publishing House ,Tirana 1985, p. 415.

¹⁰ Albania secured her invitation to join NATO at the Bucharest Summit in 2008, and became a member of the Alliance with full rights in 2009.

Despite this new reality, marginal elements within Greece and particularly in the Greek diaspora continue to nurture the still-born doctrine of Northern Epirus, and to sustain a virtual arena of discourse fed by populists.

In parallel with territorial disagreements, questions of the definition of borders between the two states – international borders originally recognised by the Great Powers – have been a source of tension between the two.

In 2010 Albania's Constitutional Court rejected an agreement on the continental shelf. After several years of negotiations and the acceptance of a deal on the maritime border – the only undefined boundary – by 2009 it had seemed that Albania and Greece were at last closing the chapter of disagreements over their borders. However, the Constitutional Court's decision annulled the agreement, because it found 'an abuse of constitutional principles and a lack of respect for the principles of international law on the definition of maritime borders'.¹¹

The failure to approve an accord on the sea boundary, negotiations for which had begun immediately after the end of the Second World War, demonstrated another persistent characteristic of Albanian-Greek relations: border issues and disagreements remain a source of political tension, regardless of democratic change, membership of the Atlantic Alliance, and the support which Greece has given and continues to give for Albania's accession to the EU. The question of delineating the border between Albania and Greece arose at the moment that the European powers began to move towards recognition of the Albanian state. The disagreements predated the birth and recognition of Albania. From the outset more than a matter of border definition between two states, the issue was bound up with territorial claims on southern Albania – termed Northern Epirus.

Although the conference of European Ambassadors in 1913 did not acknowledge Greek aspirations for the territory which would be included within the Albanian state, these aspirations were sustained into the Paris Peace Conference in 1919.¹² In 1921, the Conference of Ambassadors which had followed immediately on the Peace Conference recognised the

¹¹ See the decision of the Constitutional Court of 15th April 2010.

¹² See *The Albanian Problem in the Paris Peace Conference*, AIIS Tirana 2018.

borders of 1913. For several decades during the Cold War, the question of border definition was one of the obstacles to the establishment of diplomatic relations.¹³ Even after the establishment of diplomatic ties, intermittent tensions arose in connection with the undefined borders and with Greek hesitancy to delineate the land boundary.

Similarly, issues related to the Greek minority in Albania have historically also been a source of tension. It is however important to stress that, more than the minority itself, the way that the two countries' governments have adopted and behaved towards the Greek minority has been an aspect of tension. From the start, the presence of this community and disputes over its numbers served to feed territorial and subsequently border claims; but over time the policies pursued by Tirana and Athens towards the minority became almost independently a factor for tension. Throughout the Cold War, including the period when diplomatic relations had been established between the two states, questions about the Greek community in Albania were a persistent source of strain, even after the fall of the communist regime.

The Cham Question: a Populist Approach – “Don't Open the Box”

One of the most controversial elements of relations between Albania and Greece, bound up in fact with other historical disputes, is the Cham question. After the Balkan wars, the Cham population was placed under Greek jurisdiction; and by the Florence Protocol of 1913, lands to the north-west of Greece occupied by the Chams remained outside the borders of Albania. However, the issue became more significant in early 1923, when Greece and Turkey began negotiations for a population exchange. Greece declared that there was no intention to include the Cham population within the convention for a people swap with Turkey. However, although the exchange programme would incorporate the Muslim population of the region with the Chams as the only exception, at least 500,000 of them were in-

¹³ See Enver Hoxha, *Dy popuj miq*.

cluded.¹⁴ The Albanians did not perceive the non-inclusion of the Chams in the programme as a privilege.

In any case, the larger part of the Cham population remained outside the 1923 Greek-Turkish convention of Lausanne on population exchange, and were thus supposed to enjoy the same status as Greeks.

But regardless of official policy as declared by the Greek government, the Cham population between the wars did not enjoy equal rights as Greek citizens. The economic and social status that they had inherited from the Ottoman period began to be undermined by means of central and local policies pursued by the government, and in an ever more hostile political and social environment clashes broke out between the Cham and Greek communities. Conditions for the Cham population started to worsen with the installation of the Metaxas dictatorship in 1936. As well as extreme policies and the arbitrary use of force, the Metaxas government stopped the use of Albanian in the public and private spheres, and the publication of Albanian books and newspapers.

But developments during the Second World War would be decisive for the future of the Cham population. Italy, and after her capitulation Germany, declared the national union of Albanians, incorporating among others the Chams of Greece. The Chams seemed to be regaining their social and economic status, and indeed their future, through co-operation firstly with the Italians and subsequently with the Germans. During the fascist occupation the communities were caught up in a cycle of violence, which assumed greater proportions after Germany's withdrawal from Greece in 1944. In

¹⁴ The League of Nations Committee, struggling to define the origins of the Muslims of Chameria, decided to apply a compromise and take into account the wishes of Cham Muslims about whether or not to go to Turkey. According to the Greek government, of 10,000 who expressed the desire to emigrate only 5,000 were accepted by Turkey. See Eleftheria K. Manta, *Muslim Albanians in Greece, the Chams of Epirus (1923-2000)*, Institute of Balkan Studies, Thessaloniki 2008.

particular, Greek resistance forces under General Napoleon Zervas undertook bloody operations against the Cham population, killing many.¹⁵

Communal violence and massacres continued, with the mass deportation of the Cham population into Albania.¹⁶ In 1940, some 25,000 Chams were concentrated in the Cham region and more particularly south of the Greek-Albanian border.¹⁷ A decade later, in the Greek population registration of 1951, only 127 Albanian-speaking Muslims were recorded in the whole country.¹⁸

The Cham question, about which the two states have differing interpretations, was their first clash and their first disagreement.

The most crucial question is how the historical trajectory of the Chams – which, in the words of Stathis N. Kalyvas ‘couldn’t be more emblematic of the dark continent – the European 20th century’ – has influenced and continues to influence relations between Albania and Greece.

The Cham issue was a source of tension between the two countries from immediately after the conclusion of the population exchange between Greece and Turkey in 1926.

As well as in its direct official demarches to Athens, the Albanian government set out its disquiet concerning the community’s situation in the League of Nations. At the same time, Athens was observing the establish-

¹⁵ The most brutal massacre of Albanian Muslims was carried out by Greek soldiers no longer part of military formations, on June 27th 1944 in Paramythia, when troops of the Greek Republican League (EDES) of General Zervas entered the town and killed some 600 men, women and children – many of them raped and tortured before death. According to eye-witnesses, the next day another EDES battalion entered Parga and killed 52 more Albanians. On September 23rd 1944 the town of Spatar was pillaged and 157 people killed. Young women and girls were raped, and those men who survived were rounded up and deported to the Aegean Islands.

¹⁶ For a balanced description of the Cham question, see Miranda Vickers & James Pettifer, *The Cham issue - the next stage*, Naimi publishing house, 2014.

¹⁷ Within the Cham issue, which is always controversial for the two countries, the question of numbers is likewise debatable.

¹⁸ Stathis N.Kalyvas and Eleftheria K. Manta, *Muslim Albanians in Greece, The Cham Epirus (1923- 2000)*, Institute for Balkan Studies, Thessaloniki 2008.

ment of relations between Italy and Albania, among other things in the context of the Cham minority within its territory, worried that the Albanians might secure the support of a power such as Italy for their demands and potential actions on behalf of their brothers in Greece.¹⁹

In one way or another, Albania was engaged in the matter of the Cham population until the beginning of the Second World War. Developments during the war were dramatic for the Chams in Greece. First Italy and then Germany declared the establishment of a Greater Albania, incorporating as well as Albania with her 1913 borders other territories to the north, in Kosovo, and in the south, including the Chameria region.

After the liberation of Albania and the establishment of the communist regime, Hoxha's government initially proved attentive to the Cham problem. Hoxha raised the issue in the Conference of Peace in Paris in 1946. The communist government sought the repatriation of the Chams deported from Greece to Albania and the return of their assets.²⁰ It was another occasion when relations between the two states worsened because of official Greek demands for a territorial reconsideration of so-called Northern Epirus.²¹ The atmosphere of the relationship between the two, meanwhile, was greatly influenced by their ideological alignment and the split between the great powers, the Soviet Union on one side and the USA and her allies, such as Great Britain, on the other. To a considerable degree, the clashes between the two superpowers at the global level had their impact on the contests within inter-state relations in the Balkans.

Thus the communist regime, though not in a direct and open fashion, supported the struggles of the Cham population settled in Albania to internationalise their issue. In 1945 and 1947 two Cham congresses were organised in Albania, and a series of attempts and interventions were made with the European powers and the United Nations. Sporadically, and more as a reaction against the territorial pretensions of Greece, the Cham question was raised in the UN General Assembly.

¹⁹ Miranda Vickers.

²⁰ See Beqir Meta, *Greek Albanian Tension, 1939-1949, The Cham Tragedy*, Academy of Science of Albania, Tirana 2006, pp 111-167. See also Miranda Vickers.

²¹ Ibid. Meta.

It arose again during the Greek Civil War: the Greek communists saw the Chams settled in Albania as a good means of reinforcing the Democratic Army. The communist leadership requested the help of Tirana – the Communist leadership of Albania – in recruiting Chams into their ranks.²²

This was the last time that the Albanian government got involved in the Cham issue, and it was in a wholly ideological context: assisting the Greek communists in the civil war that had broken out.

It appears that the communist regime intended to close the Cham question at last in 1953, when in a special decree it accorded the Cham population Albanian citizenship. Throughout the Cold War, until the fall of the communist regime, the issue featured in not one single episode of the generally troubled and tense relationship. The argument that the Chams did not come to the government's attention because of the Cold War and the division into two blocs is not sufficient. Irrespective of Albania's isolation, the closure of the border with Greece, the absence of diplomatic relations for three decades and the two countries' memberships of ideologically- and militarily-opposed camps, there was a tense relationship between Albania and Greece but in no case was the Cham question the source of tension. The Hoxha government abandoned the request laid out in the Peace Conference of 1946, and remained wholly silent on the issue until the end of the Cold War and the fall of the regime. Even when negotiations for the restoration of diplomatic relations began early in the 1970s, the Cham issue was not part of them.²³ This total silence about the Chams on the part of the communist regime for almost 50 years becomes even more incomprehensible if we compare its attitude towards the Greek minority in Albania. Significantly, the government worked to give the impression that this community, a people 'wise, hard-working and patriotic'²⁴ 'enjoy all the rights of any citizen of the republic'. The government ensured and made propaganda of the fact that the Greek minority had their own newspaper, an energetic combative platform for the working members of the commu-

²² Of 2,000 communist Chams settled in Greece whom the Greek leadership expected recruit, only 150 were won over.

²³ One more plausible explanation is the fact that the Cold War and East-West ideological rivalry served among things as a kind of cage keeping national issues and nationalist ideals around the world locked up and frozen, including in the Balkans.

²⁴ See Enver Hoxha, *Dy popuj miq*.

nity. The Constitution of the People's Republic secured for them all the rights enjoyed by its other citizens.²⁵

The only comparison drawn between the Cham question and the Greek minority in Albania was that of 1945, when Enver Hoxha himself tried to emphasize the great difference between the reactionary, chauvinist Greeks and his own regime:

‘We do not treat minorities’, he wrote, ‘as do the bands of Zervas and Plastiras with the Cham population, whom they have massacred and slaughtered in the most brutal manner. Our attitude towards minorities is the attitude of a more advanced people. The Greek minority enjoys full rights; it has its schools, its teachers, its press, its people in power and in the army.’²⁶

The end of the Cold War and the fall of communism in Albania marked the re-emergence of the Cham question. As early as 1991, the Cham community created its own political organisation and subsequently a political party, which managed to secure representation in parliament. Initially the organization made its objectives public, which in fact were not so different from those directed to the UN, foreign missions in Albania and the Greek government half a century earlier. Much the same as the memorandum from after the Second World War, the organization sought the return of lands and assets, compensation of income and respect for basic human rights. The Chameria organisation – the second political group founded in 1991, after Albania's first opposition party – likewise expressed the hope that they would have the support of the post-communist government for the resolution of their issues, and declared that the Cham issue should be put on the agenda of Albanian-Greek relations. The Cham population in Albania and their political organisation invested a great deal of hope in the Democratic Party and the first non-communist government in Albania. Under the communist regime, the Cham population were regarded with mistrust, and were not permitted any form of organisation, and there was a widespread idea that the communists had betrayed the Cham issue. This explains not only the great hopes of the Chams after the fall of communism, but also a kind of mistrust of the Socialist Party (and of its allied parties), which for at least the first decade was seen as the inheritor of the

²⁵ Ibid.

²⁶ Ibid.

Party of Labour, responsible for the prolonged silence regarding the Cham question. From 1991 and continuously the question would be a persistent element of Albanian-Greek relations. From 1992 the demands from the Albanian side had to do with financial compensation for confiscated property and the return of the scattered Chams to their lands. It seems that the Greek government accepted the return of the issue to the agenda of bilateral relations between the two states.²⁷ Despite this, the subsequent attitude of Greek governments varied from total refusal to acknowledge the existence of the Cham problem to refusal to discuss even the request for compensation for confiscated property - with the justification of collaboration with the occupier or being declared a war criminal by judicial verdict²⁸ – a request they had accepted in principle in 1992. At the same time, the attitude of Albanian governments following the revival of the Cham question in 1991 was marked by ebbs and flows. The 1991-1994 crisis in Albanian-Greek relations radicalized the position of the Albanian government towards the issue. But during the crisis of 1997, when the country fell into anarchy, the issue was left more or less unmentioned in bilateral exchanges. The explanation for this dramatic change has to do with the weak condition and near collapse of the state because of the crisis, but also with the fact that the Socialists came to power, and there remained a perception that they ‘supported the Albanian national question little or not at all’, and especially in their relations with Greece reflected a weak policy and demonstrat-

²⁷ During a visit to Albania in 1991, Foreign Minister Karolos Papoulias said that requests for the return of Cham property and financial compensation ‘should be resolved by means of a bilateral commission’. See Miranda Vickers. Likewise, in the first meeting of the two Prime Ministers, Konstantinos Simitis and Sali Berisha, in 1992, of the two requests presented by the Albanian side regarding the Cham issue – financial compensation for confiscated property and the return of the Chams to their lands – the Greeks expressed themselves inclined towards a kind of willingness regarding financial compensation ‘for property confiscated in cases of those Chams who in the end were not convicted as collaborators of the Axis occupation forces but who had out of fear moved away from their property at that time’. See Eleftheria K. Manta, *Muslim Albanians in Greece, The Cham Epirus (1923- 2000)*, Institute for Balkan Studies, Thessaloniki 2008; Toena (Tirana) 2015, p. 236.

²⁸ Ibid. p. 232.

ed a kind of dependence on Athens.²⁹ Meanwhile, within Albania the ‘Cham issue’ started to become more and more part of the domestic political battle between the parties.³⁰ The slide towards a totalitarian narrative became apparent at the end of the 1990s, and a kind of myth about the Cham issue started to emerge. There was no more talk of concrete demands, including the Cham issue, of the kind that had been clearly articulated after the end of the Second World War and after the end of the Cold War and the collapse of communism. The Cham question was discussed more and more, but not its constituent elements and how they might be resolved; instead, in the narrative of the parties and other political and non-political groups, it was spoken of general terms, as if it were a myth. The narrative of the ‘Cham issue’, at least from the 1997 crisis onwards, resembles the narratives of myths. No small part in the narrative of the issue and the development of its myth was played by the initial establishment of the Party for Justice and Unity (PDU) and, after its dissolution, the establishment of the Party for Justice, Integration and Unity (PDIU) – which marked, in fact, another kind of privatisation, not only of the Cham issue but of its myth.

The PDIU declares itself ‘The Party of national causes, of the Cham question, of the inclusion of patriotism in the direction of the country’³¹ claiming exclusivity in the national issue. The Cham issue ‘is simply one part of the unresolved national issue’.³²

²⁹ In October 1997 Prime Minister Fatos Nano met Slobodan Milošević in Crete, offering to play the role of intermediary with Prishtina in the resolution of the Kosovo problem, whereas the Cham issue had vanished, no longer part of the bilateral agenda under Socialist administration.

³⁰ The usual exchanges when an Albanian minister visits Greece or a Greek Minister visits Albania conclude with the question ‘Was the Cham issue mentioned in the discussions?’ And, by extension, ‘Why was Cham issue left out of the discussions? Who is betraying the Chams and why?’

³¹ See: PDIU, ‘Misioni Yne’, at PDIU.al.

³² See the speech by Shpetim Idrizi on the 27th anniversary of the founding of the Chammeria society, in January 2018.

Liberating Oneself from Paradoxes and Myths

Albanian-Greek relations after the end of the Cold War, the fall of communism and the opening of Albania to the West developed in two different spheres: one is the sphere of peace, within which practical relations have been established in the sectors of economy, trade and investment, together with exchanges at the societal level, communication between the two societies in the fields of culture and art; the other is the sphere of conflict, which is in fact virtual, involving political discourse, the elites of politics and the media and other groupings. Within this turbulent sphere, the narrative is almost totalitarian and it chiefly exploits issues of dispute springing from history, such as the Chams, and the so-called Northern Epirus and alike.

While these two spheres appear to evolve and function in parallel at the same time, they have a measure of inter-dependence and mutual influence. The more or less cyclical crises in Albanian-Greek relations following the end of the Cold War have been marked by the inter-relationship of the spheres. The first is a real world, which has to do with economic interests, communication, and the collaboration of the societies; the second is built and thrives on paradoxes and myths, establishing indeed its own paradox, a great one, which in the best case maintains the status quo in relations, without allowing their development or reinforcement, and in the worst case produces cyclical crises which damage, or have the potential to damage, the future of the relationship.

The understanding, the explanation, of Albanian-Greek relations in the post-Cold War environment is not possible without an understanding and an explanation of the paradoxes and myths created by history. Undoubtedly, the future of these relations is not possible without escaping the paradoxes and myths.

Relations between (North) Macedonia and Greece after the Prespa Agreement – What Does the Future Hold?¹

Magdalena Lembowska

Introduction

This paper analyses the cooperation between Macedonia and Greece in light of the agreement for settlement of the name dispute signed in the summer 2018. While the relations between the two countries used to be very complicated due to the name dispute, the last several years brought positive changes in term of willingness and concrete steps towards transformation of these relations. The paper starts with establishing the framework of cooperation and outlining the key events that influenced the relations between the two countries. Then, it analyses the implementation of confidence building measures as the first joint initiative for normalisation of the relations and establishing good neighbourly relations. The main rationale is to use the lessons learnt from this initiative in order to better navigate any further similar engagement. Nevertheless, main focus of the paper is the Prespa Agreement which resolves one of the most complex bilateral issues, but also sets an ambitious agenda for bringing the two societies together. Finally, the paper ends with outlining the main risks and opportunities related to the implementation of the Agreement in the period that follows, while also providing recommendations on the way to move forward.

Framework of Cooperation

The long-standing dispute between Macedonia and Greece had significantly hampered the cooperation between the two countries. Even though the cooperation has never been particularly good, it decreased further after the NATO summit in Bucharest in 2008 when Macedonia was prevented from entering NATO due to the name issue. At the same time, Macedonia faced a deadlock in the EU integration process, being prevented to start the negotiation process despite receiving positive progress reports by the Euro-

¹ This paper was written before the Prespa Agreement came into effect therefore the former state's name "Macedonia" is used.

pean Commission year by year and most importantly, receiving the first recommendation to open accession negotiations in 2009. This deadlock led to huge frustration in the country, rise of nationalism and populism and ultimately backsliding of democracy and moving away from the EU agenda. The political party in power at the time started a comprehensive project on rebuilding the capital and widely promoting the Hellenic heritage of the region of Macedonia, which was obviously not welcomed by Greece and created further divisions. This additionally worsened the political and other relations, ultimately resulting in very low levels of cooperation and almost no communication among the civil society, academia, public sector institutions etc.

The only bilateral agreement regulating the relations between the two countries is the Interim Accord from 1995 which is far from representing sufficient legal base for regulating the formal channels of communication. Nevertheless, the situation started changing when the ministries of foreign affairs of the two countries agreed to develop measures for establishing more structured cooperation in several areas, as confidence-building measures (CBMs) between the two societies. The list was promoted in 2015 by the Macedonian Minister of Foreign Affairs Nikola Popovski and his Greek colleague Nikos Kotzias. These measures are important as the first joint initiative for normalisation of the relations and recognition of the need to change the discourse in the two countries.

The CBM are total 11 in number, divided into several different categories:

A. Political and EU Affairs:

1. Political consultations between the Ministries of Foreign Affairs in international, multilateral, regional, horizontal, security and consular matters, as well as for regional cooperation initiatives/Annual Consultation Plan.
2. Bilateral dialogue on EU matters and strengthening the bilateral cooperation within IPA II programmes, taking into account the priority areas, as set out in the strategic document and annual programs. Collaboration in Cross-border Cooperation, Twinning and

TAIEX.

3. Cooperation between the National Center for Public Administration in Athens and the Agency for Administration in Skopje.

B. Education and culture:

4. Cooperation between universities, research centers and institutes.
5. Exchange of university scholarships.
6. Encouraging measures for cultural cooperation and exchange.

C. Trade and economic cooperation:

7. Strengthening economic and trade relations – Business Forums.

D. Connectivity:

8. Improve the energy grids/gas pipe-lines connectivity.
9. Improvement of the railway link Bitola-Florina.

E. Justice and Home Affairs:

10. Consultations between representatives of the competent ministries of interior, border police and customs administration in order to exchange information and strengthen the fight against organised crime, corruption, terrorism, illegal migration and drug trafficking.

F. Other:

11. Cooperation in health issues, etc.²

² What kind of confidence building measures agreed Paposki and Kotzias in Skopje, <<https://makfax.com.mk/makedonija/nadvoresna-politika/mnr-gi-objavi-11-temerki-za-jaknenje-na-megusebnata-doverba-megu-skopje-i-atina/>>, accessed on 1.10.2017.

As it can be seen, the CBMs spread within various areas, political and non-political. In fact, the CBMs compose an ambitious and comprehensive agenda to establish cooperation in crucial areas such as police cooperation, improving connectivity, economic exchange etc. These measures were supposed to help bridging the gap between the two societies, while working on a solution for the name dispute under the auspices of the United Nations.³

Nevertheless, the cooperation climate dramatically changed after the change of government in Macedonia in 2017 when the Social-Democratic Party of Macedonia (SDSM) took power after being an Opposition for 11 years. The new government was especially focused on foreign policy and establishing good neighbourly relations, starting from rebuilding the problematic bilateral relations with the neighbouring Bulgaria and Greece. The first step was signing the “Friendship Agreement” with Bulgaria which, even though widely criticized by the domestic public, significantly improved the political relations and established the base for improving the economic, cultural exchange etc. The most difficult task was resolving the name issue and the two countries finally signed a historic agreement on 17 June 2018 in Prespa.

Cooperation within the Confidence Building Measures

There is very little publicly available information regarding the implementation of the CBMs. Media occasionally report on meetings conducted between the stakeholders from the two countries; however, the information is very scarce and refers only to the timing of the meeting and main topic of conversation. The measures themselves are broad enough, which makes them impossible to monitor without having concrete activities and appointed responsible parties for their implementation.

Analytica Think Tank from Skopje in cooperation with ELIAMEP from Athens conducted a research on the implementation of two of the above mentioned CBMs: cross-border cooperation within IPA funded projects

³ United Nations Security Council resolutions 817 (1993) and 845 (1993) as well as the Interim Accord of 1995.

and cooperation in the field of education and science. The research⁴ found that the cross-border cooperation is one of the most successful measures that improves the relations and contributes towards building trust between the societies on the both sides of the border. In fact, the main driver for cooperation is the common interest to use EU funds for the benefits of the municipalities in the eligible regions. At the same time, having clear rules for naming and branding was important enabling factor which minimizes the risk of withdrawing from the projects due to political reasons. Furthermore, it was established that this type of cooperation results in developing good inter-personal relationship which leads to generating even more cooperation initiatives. Confidence-building is possible only by experience and using the platforms for cooperation, rather than focusing on awareness raising activities and positive narratives without having the people-to-people contact. Detected challenges were mainly related to operational issues i.e. not dependent on the name dispute at all.

On the other side, cooperation in the field of education proved to be especially problematic and the name issue indeed has a heavy impact on the institutional cooperation. The academic cooperation was assessed to be ad hoc and sporadic. The main reason is the lack of institutionalised practice on how to cooperate when signing agreements that would be legally binding in the two countries was not possible without having an agreement on which name to use. This example indicates that the name issue has been preventing cooperation in so many other areas, simply because of the lack of institutional and legal framework to cooperate.

It can be concluded that separate CBMs might have completely different success and outcome in reaching the overall goal of improved cooperation between the two societies. However, the level of cooperation very much depends on the measure itself and the success of the cross-border cooperation should not be attributed to the process of CBMs. On the contrary, this programme existed long before signing the CBMs and there are no indications that the Ministries of Foreign Affairs somehow helped for this measure to be intensified. On the other side, no improvement in the coopera-

⁴ Full publication available at: <http://analyticamk.org/images/2018/Macedonia-Greece_Cooperation_through_the_Confidence_Building_Measures_view_from_civil-societys_point_e474d.pdf>.

tion in the field of cooperation might indicate that little is done through the formalised process led by the ministries.

Cooperation Prospects as Envisaged by the Prespa Agreement

Without any doubt, the Prespa Agreement⁵ is the most important document ever signed between the Republic of Macedonia and Greece and has the potential to completely transform the relations between the two countries in number of areas. The agreement puts an end to the 27-year long dispute, determining that the parties have agreed that the official name of the Republic of Macedonia shall be changed into “Republic of North Macedonia” and to be used *erga omnes* – meaning that the new name shall become the constitutional name of the republic, to be used in international relations and in bilateral relations with third parties. The official language shall remain to be the “Macedonian language”, while the nationality shall be Macedonian/citizen of the Republic of North Macedonia. One of the most important articles is Article 7 which determines that the parties have different understanding the terms “Macedonia” and “Macedonian”, acknowledging that they refer to a “different historical context and cultural heritage.”⁶

Apart from putting an end to a 27 years long dispute, the agreement itself ambitiously sets a framework for cooperation in numerous areas. The whole name of the agreement is “Final Agreement for the Settlement of the Differences as Described in the United Nations Security Resolutions 817 (1993) and 845 (1993), the Termination of the Interim Accord of 1995, and the Establishment of a Strategic Partnership between the Parties”, where Part I is dedicated to “Settlement of the Difference on the Name, the Pending Issues Related to it and Entrenchment of Good Neighbourly Relations.” In fact, the agreement fosters cooperation in the following areas:

⁵ Full text available at: <http://www.mfa.gov.mk/index.php?option=com_content&view=article&id=2780:konechen-dogovor-za-reshavanje-na-makedonsko-grchkiot-spor-za-imeto-i-za-stratashko-partnerstvo&catid=52&Itemid=684&lang=en>

⁶ Ibid. Article 7, paragraph 1.

1. Diplomatic relations
2. Cooperation in the context of international and regional organizations
3. Political and societal cooperation
4. Economic cooperation
5. Cooperation on the fields of education, science, culture, research, technology, health and sports
6. Police and civil protection cooperation
7. Defence cooperation
8. Treaty relations
9. Settlement of disputes

Moreover, the agreement envisages creating a comprehensive Action Plan that would incorporate all these sectors, but shall also be enriched and developed continuously. Importantly, the existing CBMs are supposed to be incorporated in the same Action Plan. Also, the Parties oblige to establish a High-Level Cooperation Council (HLCC) of their Governments, jointly headed by their Prime Ministers as well as a Joint Ministerial Committee (JMC) in order to attain the best possible cooperation in the abovementioned sectors of economic partnership, including through the organisation of joint business fora. Furthermore, it is said that “Convening at least once a year, the JMC will steer the course of bilateral economic cooperation, the comprehensive implementation of the relevant sectorial actions, agreements, protocols.”⁷ This way, the agreement sets an institutional framework that should ensure implementation of the provisions pertaining to cooperation, instead of only declaratively promoting cooperation. It will be important to have the Action plan to be as detailed as possible, but also to appoint the necessary human resources that are going to be responsible for smooth implementation and monitoring.

This way, both countries commit not only to settle the dispute and end their animosity towards each other, but to actively work towards establishing friendly relations. Such transformation would significantly contribute towards stabilisation of the region, but also better cooperation and integration in the Balkans, given that the countries commit to develop meaningful cooperation between an EU and non-EU member state. In this sense, such

⁷ Ibid. Article 14, paragraph 9.

cooperation has the potential to be a “game-changer” for the Balkans, where Greece might aim for greater involvement in the regional developments, while also becoming an important factor of promoting EU enlargement and integration of Western Balkans in the European Union.

Implementation of the Prespa Agreement

Reaching an agreement between the two countries was only the first step in resolving the long-standing name dispute. Signing the agreement was met with strong opposition and protests on the both sides of the border. From the very beginning, it has been clear that implementation of the agreement was never going to be a smooth process at any stage.

The first step was ratification of the Agreement in the Macedonian Parliament. However, even though the Law on Ratification of the Agreement was passed, the President of the Republic refused to sign it as he was one of the biggest opponents of this Agreement. Nevertheless, the “veto power” of the President does not have the power to cease the process, but only to delay it. However, this was one of the most important signs that a national consensus for such an important issue is lacking.

The most difficult part in the implementation of the agreement is changes of the Macedonian Constitution as agreed. These changes do not go only into changing the official name of the country, but they extend to several articles which were deemed problematic by the Greek state. Still, any constitutional changes require a two-thirds majority, which is impossible without having the support by the opposition, or at least several MPs from the opposition.

Most importantly, such a historical decision would not be legitimate without public support. In this line, the Macedonian Government decided to hold a consultative referendum where they would seek the public support in changing the country’s name and all other implications of the Agreement itself. This came as no surprise, given that all previous governments have been continuously repeating that they would never change the country’s name unless citizens vote so at a referendum. The important event was scheduled for 30 September, where citizens were supposed to give an an-

swer to the following question: “Do you support EU and NATO membership by accepting the agreement between Macedonia and Greece?”

While the referendum question itself is a subject of valid criticism, it laid out the two options for the country: finally resolving the most important obstacle for Euro-Atlantic integration or continuation of the status quo of no credible perspective. Still, public opinion reports prior to the referendum indicated a strong division of the population. The main oppositional party VMRO-DPMNE which widely criticised the Agreement, never made a clear position regarding the referendum, ultimately calling the citizens to act according to their own consciences and beliefs. Meanwhile, various actors engaged in an active campaign to boycott the referendum, attempting for rejection of the Agreement and failure of the whole process. Finally, citizens did have a say on 30 September: 94.18% voted “Yes”; however, the turnout was only 36.9%, making the result legally invalid as the necessary turnout for the referendum to be successful was 50%.

Taking into consideration that the referendum was consultative and not legally binding, it was up to the institutions to decide on the future of the Agreement and the forthcoming constitutional changes. After several intense weeks of discussions in the Parliament, all efforts to persuade the opposition to support the implementation of the Agreement failed, leaving the country on the edge of another political crisis and calls for early parliamentary elections. However, eight oppositional MPs did act contrary to the party guidelines and supported the start of the procedure for constitutional changes. This means that the two-thirds majority has been secured and the Parliament finally started the procedure on 19 October 2018. These MPs were immediately excluded by their parent political party VMRO-DPMNE which started a process of internal changes followed by exclusion of other prominent members who opposed the party’s leadership.

The Way Forward

Settling the name dispute between Macedonia and Greece gives the prospect of Macedonia finally becoming a success story in the Western Balkans and resolving one of the most complicated bilateral disputes in international relations. It also clears the path for integration of the country into NATO and progressing in the EU integration efforts.

However, the complexity of the issue imposes substantial efforts for implementation of the agreed provisions. Changing the Constitution is a lengthy procedure that takes at least 3 months as prescribed. Taking into consideration the disturbances within VMRO-DPMNE, one cannot predict anything regarding their involvement in the further stages. At the same time, external actors that have an interest in failure of the Agreement and preventing the NATO integration of Macedonia might also try to influence the process via various informal channels and methods.

An important drawback of the overall process in Macedonia is the lack of a national consensus. Failure to ensure the support from all relevant political actors for such an important historical development might have lasting negative impact on the national cohesion and lead to further intra-ethnic divisions and political instability. Indeed, the Opposition does hold a responsibility for undermining the country's prospects for advancement, while failing to provide alternative scenarios and strategic options. However, they will play an important role in the later processes related to the EU accession talks, especially during adoption of systematic laws where qualified majority is required.

Ensuring qualified majority might not be that problematic after a group of MPs decided to follow the agenda of the government and support the implementation of the Agreement between Macedonia and Greece. However, their motives are subject to speculation, given that some of them are facing criminal charges for their involvement in the 27 April events⁸ in the Macedonian Parliament, but also criminal deeds conducted during their previous mandate in power.⁹ Just days before the voting in Parliament, the Prime Minister expressed his readiness for a “national reconciliation,” which can be interpreted as readiness for an amnesty as an exchange for support. Therefore, even the biggest supporters of the Agreement were left with

⁸ 27 April refers to the event (so-called “Bloody Thursday”) when a number of protesters stormed into the Parliament after the new parliamentary majority elected a new speaker, attacking the MPs, while the police and the MPs from VMRO-DPMNE enabled this violent behaviour. As a result, more than 30 individuals were apprehended (including MPs and party members) and charged with “terrorist endangering the constitutional order and security.”

⁹ One of these MPs is the former Minister of Culture who played a crucial role in developing and implementing the project “Skopje 2014”.

“bitter-sweet taste in their mouth” realising that the price to be paid in order to move forward might be too high. In this line, it shouldn’t be forgotten that the current political party in power SDSM was elected in order to establish rule of law, deliver results in the fight against corruption and especially to put an end to the state capture by the previous political elite and enable prosecution of criminal cases involving high-level politicians.

During the referendum campaign, the main “selling point” was that acceptance of the Agreement would open a European perspective for the country. Even the campaign was titled “Yes for European Macedonia” and was heavily focused on the benefits of Euro-Atlantic integration. There is the risk that such promises might raise the expectations of the citizens and raise false hopes regarding the speed of the EU integration process. However, a good starting point is NATO accession and getting a date for starting the negotiation process with the EU in 2019 as a short-term reward.

Linked to this, the Macedonian stakeholders should engage with the public in explaining the benefits of bilateral cooperation with Greece as an immediate neighbour and an EU member state. The communication strategy should not be directed only towards the general public, but also towards state agencies, universities, businesses, CSOs etc. in order to explore the opportunities for joint initiatives with their Greek partners in a number of areas as envisaged in the Agreement. For this purpose, the experience of confidence-building can be used as the initial step towards bridging the gap between the two societies. For instance, the experience of the confidence-building measures showed that availability of external financial assistance is a crucial enabling factor of cooperation. This is where the international community can come into play and support the two countries in various ways as a contribution towards sustainable cooperation and friendship between two countries that used to have frozen relations just few years earlier.

Speaking about the international community, it goes without saying that Macedonia experienced unusually intense international attention in light of the referendum. Numerous prominent political figures from all over the world visited the capital as a way of showing support to the Government in their commitment to implement the Agreement with Greece and encouraging the citizens to legitimise the process. It is important that the interna-

tional community continues supporting the country in the EU-integration endeavours, especially during the reform process in meeting the conditions for starting the negotiations and continuously chapter by chapter.

Most importantly, it is of paramount importance that the Government remain committed to the EU agenda, not only declaratively, but also to start delivering results. There is a serious reform process ahead, which includes sectors that are the most resilient to change, such as reforming the security services, establishing independent judiciary, reform of the public administration, fight against corruption etc.

Turkey's Relations with Greece and Western Balkans: Looking from Turkish Geopolitical Lenses, Memory, and Security Culture

Niliifer Narli

Introduction

Rather than discussing Turkey's relations with Greece and the Western Balkans in details, the paper describes Turkish geopolitical lenses and explains how Turkish geopolitical thinking and vision have been constructed in interaction with a set of domestic and international political factors during the Ak Party rule (2002-2018). To do this task, the paper develops a conceptual framework which aims to explain how Turkish political memory construction, geopolitical thinking and the construction of security and strategic culture interact in shifting domestic and international political contexts and affect Turkey's foreign policy options. The paper examines the trajectory of the changes in the Ak Party's domestic and foreign policy dynamics, its politics of memory, the restoration of Islamic identity policy; and then it explains how all these processes interact and shape Turkish geopolitical thinking and discourses, and the construction of security culture. The Ak Party rule period (2002-2018) is divided into three major phases: a) the 2002-2008 liberal terms; b) the divergence from the liberal policy (2008-2014); c) building "New Turkey" era (2014-2018). Key domestic and international events marking each of these three phases examined in relation to their implications for the geopolitical thinking and the security and foreign policy; they are the July 15th Failed Coup Attempt in 2016; Turkey's move from the parliamentary system to the presidential system in 2018; the conflict situations in the Middle East with the Syrian War (2011); and the changes in the United States' position in the Balkan regions under the Trump government.

The paper is based on the following assumption: There is a dynamic interaction between the domestic and foreign policy variables, geopolitical orientation dynamics, and the construction of identity and memory processes. Added to them, the paper also considers global political context variables,

including, Post-Cold War developments, the Middle East conflicts following the Arab Spring, Syrian War, the changing role of the US in the Middle East and the Balkans, and raising geopolitical uncertainty at the global level; it assumes that they all have implications for domestic political developments (e.g. identity politics), foreign policy dynamics and the construction of geopolitical visions. By keeping in mind that rising economic, geopolitical and institutional uncertainties¹ matter and create security concerns all over the world, the paper gives special focus to the changes in the Turkish security paradigm in the late 2010s, as security considerations have gained more leverage with conflicts in the Middle East and with the complications resulted from the 2016 failed coup attempt.

It is a constructionist study that is rare (Stone, 2007; Bilgin, 2012) in the literature which has so far given limited attention to the effects of the political memory, identity dynamics and geopolitical thinking on Turkey's relations to the Balkans. Providing insight into the geopolitical thinking of the political elite and the people is useful to understand Turkey's foreign and security policy in general and its implications for the Western Balkan policy in particular. Turkish people tend to view international affairs and national security through the lenses of geopolitics.

Conceptual Clarifications and Main Concepts: Critical Geopolitical Theory, Political Memory, Geopolitical Thinking, Security Culture and Strategic Perspectives

The study uses a constructivist approach and the critical geopolitical theory's analytical tools. Geopolitics, which is one of the most controversial terms in the modern history of the discipline (Atkinson and Dodds 2000: 1), brings together geography and politics, yet it goes beyond this and deals with the bigger picture. It is an approach which studies the relationship between politics and power on the one hand, and geography, understood as space, territory and environment on the other (Guzzini, 2012). Critical geopolitical theory differs from the traditional question of how geography does or can influence politics; it studies how geographical claims and assumptions, which are all constructed, function in political debates and po-

¹ There is a growing literature on the increasing geopolitical uncertainties (Caldara & Iacoviello, 2018).

litical practices. (Dodds, 2001; Kuus, 2010). It includes issues of the territory, real and constructed, representations of the past, narrations, visual and mental maps of the world and of specific regions. Territories and borders are constructed depending on a world geopolitical vision of a nation, which is defined (Dijkink, 1996, 1998) as a type of normative mental political map of the world or of a region in combination with the representations about national and international political actors, elements of political space, national security, ideas about the advantages and the shortcomings of different strategies in foreign policy (Kolossoff & Scott, 2013).

Critical geopolitical theory is handy for our analysis because it takes into account a complex set of political variables and processes by including representations about the borders, territory, ethnic groups, ideas about the ideal and the models of the state, as well as external and internal dynamics contributing to or hindering from their realisation (Kolossoff & Scott, 2013). It also makes use of the theories of political memory, discourses, and construction of the security culture. Identity, memory, discourse are the terms that are most used in critical geopolitical framework (Kuus, 2010). Geopolitical thinking is shaped by socialisation, education, media, myth, representations of the past and memory (Ó Tuathail, 2006; Dodds, 2008; Kolossoff & Scott, 2013), by political memory and politics of memory, which are what is remembered from the past, and politics of remembering/forgetting. Narrations of the past affect geopolitical thinking, particularly the memories of the loss of territory and wars. One of the concepts that is related to geopolitics and memory is Guzzini's "geopolitical memory", which refers to security treats (Guzzini, 2012: 176) and it is a handy reference to understand how political memory, geopolitics and security treats are inter-related – one of the assumptions of this study. In our paper, geopolitical memory refers to security treats, as well as geopolitical imagination, narrations, traditions and expectations. Construction of geopolitical memory is not independent from social and political context; it is linked to political and public discourses.

The definition of political memory moves from the thesis that even individual memory is always inherently shaped by collective context (Halbwachs, 1992), and whatever we remember is shaped by social, cultural and political context and it is recalled in history of the collectivity (Assmann and Czaplicka, 1995). Political memory is what a society in each era

can remember about the past political events by reconstructing the past within its contemporary frame of reference and needs. This is a conscious or unconscious selection of the events remembered, their interpretation and distortion; it is a process that is not independent from social and political contexts and global political processes. It is linked to political and public discourses; it is connected to personal and public identities, political actor's visions, and ethnicity, and nationalism, religious and linguistic groups. Policies of a state related to what to remember from the past and how to remember and what type of medium can be used to remember are the totality of politics of memory; in other words, politics of memory is the political means and ways by which the past events are systematically remembered/disremembered and recorded/eradicated. There can be competing narrations of the past and competing politics of memory in line with the competing political interest of the political parties or actors in the political arena.

Geopolitical thinking refers to strategic vision and security treats, as well as geopolitical imagination, narrations, traditions and expectations. It is constructed and its construction is related to the remembrance of the past and it contextually dependent on social and political dynamics and developments in a nation, region and globe; it is also linked to identity and to political and public discourses. Geopolitical thinking is linked to memory, identity (Dijkink, 1996), narration, political discourses, and to the old and new ideologies. Competing narrations and contested memories about borders and lost/gained territories need to be taken into considerations, because contested borders and territories often "become 'memory landscapes' with numerous monuments, memorials, museums and historical sites" (Kolossov & Scott, 2013). This is geopolitics of memory that includes what we see in museums and memorials, the erection or the destruction of monuments and the renaming of all types of places, (Kolossov & Scott, 2013), which are all decided by state's politics of memory, which all have implications for state's strategic thinking and construction of security culture.

Security and strategic cultures are products of national as well as international real politics; they are also the products of the political memory and geopolitical memory of a nation. Turkish security culture, which does not only refer to elite's culture, is the totality of the security related memories, ideas, values, beliefs, perceptions, emotions and opinions shared by the

security elite and the society at large (Karaosmanoglu, 2009). Strategic culture is the totality of myths, symbols, values, achievements and historical experience, opinions, modes of behaviour with respect to force, which shapes collective identity and relationship with the other, and strategic behaviour, as well as the actual policy making by the security elite and the executive.² Strategic culture also includes a set of beliefs, assumptions, attitudes, norms, narrations, world views and strategic decision-makers's best way to reach political objectives of war and peace (Duffield, 1999; Gerd 2008).

The study differentiates two types of strategic perspectives: Hobbesian and Kantian strategic perspectives. The former is a conservative realist approach that adopts zero-sum balance of material power approach to international relations (Herd, 2009). The Kantian perspective embraces principles of multilateralism, international law, liberal democracy, dealing with enemies with dialogue, the use of soft power and economic cooperation, win-win approach to international relations (Biehl et al., 2013). States adopt Hobbesian and Kantian perspectives depending on real politics as well as perceived threats linked to the narrations of the past in the present context. Increased security anxiety could lead to "emergency state", defined as government policies by which security interests are defined with an ever-increasing expansiveness (Unger, 2013). Unger argues that the United States have "slipped into a permanent, self-renewing state of emergency."

Turkish geopolitical vision is multifaceted and constantly contested. Eren-Webb (2011) identifies three geopolitical traditions and differentiates them by looking at the "meaning of Eurasia", "Turkey's role" and "cultural identity", which are all constructed: a) "Islamists" define Eurasia as "ex-Ottoman geography"; Turkey's "historical responsibility coming from Ottoman history", and its "cultural identity" due to "Ottomanism"; b) "Socialists'" vision defines Eurasia as "non-Western" and its identity, as "social Eurasianism"; and c) "Nationalists" define Eurasia as "Central Asia (and Russia, if necessary)", Turkey's role as "historical and cultural leadership", its cultural identity as "Turkism" (Eren-Webb, 2011: 70).

² Strategic culture definition is borrowed from the definition of Gray (1999).

Given such a complexity of Turkish geopolitical thinking, the study adopts a concentric circles approach³ and develops concentric circles of national interests and foreign policy dynamics framework to explain how memory, identity, geopolitics and geopolitical thinking interact with national, regional and international factors and produce foreign policies options and security policy.

- The innermost of the circle of “national interests”⁴ involves Turkey’s security and territorial integrity.
- The second circle involves Turkey’s relations to the West (NATO, EU and US) where Turkey’s foreign policy has traditionally focused.
- The third circle of national interest has involved supporting Muslims and Turkic people in the regions and dealing with larger Middle East and Islamic territories and issues. This has gained special momentum in the late 2000s and it is best exemplified in the then Foreign Minister Ahmet Davutoğlu’s Sarajevo speech in 2009, glorifying the “golden days of the Balkans under the Ottoman rule;⁵ and Ak Party’s «Holy Walk» discourse glorifying Turkic roots (explained below).

Turkish Domestic and Foreign Policy Dynamics, Political Memory, Geopolitical Vision and Security Considerations during the AK Party Rule (2002-2018)

Turkey became a Kantian state under the newly elected Ak Party government (2002), and adopted soft-power policy, and improved dialogue and trade relations with the “hostile” neighbours, like Greece and Syria. This

³ The concentric circle theory was first proposed by Ernest Burgess (1929) to study urban sociology. It is applied to political studies (e.g. Sarkesian et al, 2008).

⁴ “Turkish nationalist interest” is constructed and in this reconstruction shifting political context is key (Stone, 2014; Bilging, 2012).

⁵ Davutoğlu glorified the Ottoman times in the Balkans: “the Balkan region became the centre of world politics in the 16th century. This is the golden age of the Balkans.” (Quoted in Prifti, 2017).

did not last long; Turkey has begun returning to Hobbesian security state from the late 2000s onwards. The trajectory of this turn is described in Figure 2, which also explicates the interaction pattern amongst the domestic and foreign policy dynamics, the politics of memory and political memory processes, and the construction of the security and strategic culture, and the geopolitical vision in the domestic and international political contexts in an era divided into three major phases.

The Liberal Turn 2002-2008

Founded in 2001, under the Recep Tayyip Erdoğan, the Ak Party with Islamic roots moved to the centre-right over a decade, probably to avoid the risk of being shut by the Constitutional Court, remembering that its defunct predecessors (e.g. Welfare Party and National Order Party) had been banned from politics. Erdoğan rejected defining the Ak Party in religious terms and clearly denounced its Islamic roots by saying, “we abandoned *Milli Görüş*”⁶ (Ülger, 2017), the old-school of Islamic political ideology of its predecessors. After the electoral victory in 2002 general elections, Erdoğan manifested commitment to EU friendly policy, democratic values and western geopolitical orientation, and held onto a type of indifference to religion policy. In 2005, Erdoğan even refused labels such as “Muslim-democrat,” and called the party’s agenda “conservative democracy” (Taşpınar, 2012). What was meant with “conservative” was ambiguous, yet not much discussion took place.

During this era, one of the significant changes was in the Turkish foreign and security policy which, traditionally, has been deeply influenced by the Hobbesian vision. “Tough neighbourhood”, and “Turkey surrounded by enemies” are the key assumptions of Turkish Hobbesian perspective, which has deep roots in Turkish political memory and the post-First World War developments. The political memory of a declining empire, the perception of the security risks originated from the Sevres treaty, the partition of the Ottoman land after the First World War,⁷ and the traumatic memory

⁶ See White (2014) for “*Milli Görüş*” ideology.

⁷ Sevres Treaty (1920) was a post-World War I pact, signed between the victorious Allied powers and defeated Ottoman government. It abolished the Empire and divided the land.

and the fear of losing territorial integrity have always had an impact on the geopolitical thinking of the security elites and the people. The treaty has never been implemented yet its remembrance is still vivid in the Turkish geopolitical memory, and the fears associated with Sevres have been used by the politicians and the security elites to justify Hobbesian security policies (Arcan, 2017).

Despite having such a geopolitical memory and preserving strong elements of realism,⁸ the Ak Party government replaced the republic's military centred "Hobbesian strategic culture", "a zero-sum balance of material power approach to international relations, based on self-help, mistrust" (Herd, 2009) by a more Kantian strategic outlook. This change was consistent with Ak Party's EU centred foreign policy, which moved Turkish foreign policy far closer to Kantian values. Kirişçi argues that it was the European Union that affected Turkey's 'culture of anarchy' and moved the country out of a Hobbesian world toward the Kantian one (Kirişçi, 2006). Willingness to adopt democratic values, which was accompanied by the soft-power approach to various regional issues, a change from Hobbesian to Kantian state perspective, multiple orientation and maintaining good relations with the EU and the West were the major qualities of the Ak Party's policy. A "normalisation" of the troubled Syrian-Turkish relations turned into what some observers referred to as a "model partnership in the Middle East, from Iraq to Afghanistan" (Aras, 2009) and Turkey acting as a mediator in the intractable problems of its region, most notably in the conflict between Israel and Syria made Turkey a respected regional player. This process created hopes for Turkey becoming a model and expanding the zone of stability, peace and prosperity, the zone of 'democratic peace' (Kirişçi, 2006) in the Middle East and Balkans. Turkey as model country idea was supported by the United States and the West in general, which led to the Western endorsement of the Ak Party.

Despite the Western orientation in its earlier years, the diversity policy, inherited from the Özal era following the End of Cold War, continued in

⁸ Realism and conservative realism have shaped the security elite's mind since from the foundation of the republic. Despite the increasing use of soft power in the recent years (2003-2012), importance of realism in foreign policy choices were noted by experts studying Turkish foreign policy (Kirişçi, 2006).

the Ak Party's foreign policy. This diversity was continuity of the Turkey's response to real politics of the post-Cold developments that led to the questioning of Turkey's identity and geopolitical location, consequently, motivated Turkish policy makers to be more diverse in Turkey's geopolitical imagining and positioning (Bilgin, 2012). Yet its growth was also linked to the domestic political developments of the identity politics, which gained more momentum in the 1990s with discovering the old identities linked to the Ottoman memory and identity. This process also diversified Turkish geopolitical vision brought challenges to the Western-oriented geopolitical thinking (Figure 1). The boom of the Ottoman memory is linked to the restoration of the Islamic identity and memory, a process that initially began with the Democrat Party rule in the 1950s, gained momentum in the 1990s with the peaking of Islamist movement and progressively increased under the Ak Party rule despite the global failure of political Islam in the 2000s and Ak Party's earlier distance from the Islamic politics.

Diversity in foreign policy and geopolitical thinking was consistent with Ak Party's moderation in the ideology as well as with its proactive engagements in Eurasia and increased activism in the Balkans, Middle East and the Caucasus. Multiplicity in foreign policy and Turkey's "zero problems with neighbours" made it possible for Turkey to undertake a role to mediate conflicts in the Middle East, Balkans and the Caucasus. It is worth mentioning that activism was not a new policy for Turkey. Prior to the Ak Party rule, changes in the international system after the Cold War that led to the transformation of political and strategic landscape in Eastern Europe and the Balkans affected Turkey's policy options led Turkey to diversify its foreign policy and adopt a policy of "activism" and become "more assertive" in the Middle East (Sayari, 2000).

Major elements in Ak Party's foreign policy in the earlier phase (2002-2008), which gained further significance in its second term (2008-2015), are as follows:

- Rather than "Status Quo" being more assertive and having independent role in its neighbourhood (Middle East, Balkans and the Caucasus);

- Being a player in a multipolar world by undertaking a role to mediate conflicts in the Middle East, Balkans and the Caucasus;
- Forging new relations with the South and the East;
- Improving relations with Islamic countries and reaching out to non-Islamic states;
- Harmonising domestic and foreign policies with the EU.

Diverting from the Liberal Turn (2008-2014)

Neither the soft-power policy nor a start with deserting political Islam did continue. Ak Party gave the signals of returning to pro-Islamic politics already in 2007. The change in its policy manifested itself in two forms: from the indifference to religion to a religion-friendly policy; and from consensual politics to a majority position with a more populist stance. The Ak Party government started giving priority to religious issues, such as the headscarf issue and the equivalence of theological high schools, (*Imam-hatip*). With regard to breaking with the consensus policy, the Ak Party began to emphasize its majority position and increasingly claimed to “represent the popular will” of Turkey, in order to demonstrate its unquestionable power.” (Narli, 2008: 2). Another characteristic of this era was giving special importance to the restoration of the past, particularly the Ottoman past, a policy which became more conspicuous after the electoral victory of Ak Party in 2011. Reconciliation Process (2008-2014), restoration of Kurdish identity and Ak Party’s reconciliation with the Kurds, began in this era as part of the liberal reform agenda and it was linked to the restoration the Balkan, Islamic, Kurdish and Caucasus identities (see Figure 1).

Post Cold War: **First Gulf War (1990-1991)** and Recall of Mousul; the Eurasian discourse under Ozal Policy; Disintegration of Yugoslavia and the Wars in the Balkans associated with public remembering of the Balkans, (1990s); diversifying Foreign Policy rather than focus on the West.

Collective remembering of the forgotten Ottoman memories and rediscovering various roots and pasts to construct new identities, such as Kurdish, Islamic, Balkan, Caucasus. **A challenge** to the homogenous national identity. New mental map. Ozal policy of promoting Ottoman type of multi-ethnic policy.

Retrieving the Balkan and Middle East Memory by the State and the People: Changing borders in the minds, restoration of Balkan, Islamic, Kurdish and Caucasus identities.

Ak Party and its multi-dimensional policy increased activism in the Balkans, Middle East and Soft power (2007-2014).

Ak Party's Holy Walk discourse → Adding Central Asia to the Geopolitical vision (2015) → "Holy Walk of Turks" as a motto of Ak Party (2016).

Figure 1: Post-Cold War Era Dynamics, Trajectory of Retrieving the Islamic/Ottoman Borders and Identities and Geopolitical Imagining and Memory (1990s-2010s)

The restoration of Islamic identity and memory was linked to the retrieval of the Arab and Balkan focused Ottoman geopolitical memory and tradition, a process gradually starting in the post-Cold War, picking up in the late 2000s and accelerating in the second phase of the Ak Party rule, particularly in the 2010s. In this era, the boom of Ottoman memory had more impact on the Turkish foreign policy and geopolitical thinking. The Ottoman Empire as a political, social, and cultural form and project has been lingering in the contemporary Turkish politicians, particularly the Islamic and nationalist parties. Ak Party leadership and pro-Ak Party media demonstrated effort to remind and honour the Islamic and Ottoman past, while questioning, sometimes defying the Republican past and policy, including its secularism and «highly western-centered» geopolitical vision and foreign policy.

Consistent with Islamic identity restoration, Ak Party's domestic and foreign policy rhetoric became more Islamic from the early 2010s onwards. With the changes in the mind-set of the political elites, the focus of the strategic culture moved to becoming a regional superpower focusing on a

wider civil, economic and political agenda in the Balkans and the Middle East. Ahmet Davutoğlu's personal devotion to the Balkans, who became Turkish foreign minister in May 2009 and then prime minister in 2014, played a special role in expanding Turkey's Balkan activism. The indicator of Davutoğlu's devotion was exemplified in his historical speech, on 16 October 2009 in Sarajevo, which underlined the success of the Ottoman centuries of the Balkans, with the promise that the golden age of the Balkans can be recaptured:

“Like in the 16th century, which saw the rise of the Ottoman Balkans as the center of world politics, we will make the Balkans, the Caucasus and the Middle East, together with Turkey, the center of world politics in the future. This is the objective of Turkish foreign policy, and we will achieve this. We will reintegrate the Balkan region, the Middle East and the Caucasus, based on the principle of regional and global peace, for the future, not only for all of us but for all of humanity.”⁹

This vision of recapturing the golden age of the Balkans and re-establish this in the Caucasus and the Middle East, as stated in Davutoğlu's Sarajevo Speech in 2009, might feed the desire to rise as a major regional power in the Middle East and the Balkans. Nevertheless, it created anxieties in the Balkans (Prifti, 2017).

Building “New Turkey” and Big Restoration Era (2014-2018)

A greater motivation to be a rising power and regional player and more activism in the Middle East marked this era. Consistent with being a regional player, Ak Party's foreign policy was geared further to the Middle East from the mid-2010s onwards and its desire to be player grew, manifested in the increasing focus on the current global sufferings of the Muslims (e.g. Palestinians, Myanmar, East Turkistan, Balkans). Motivated by being active in the Middle East, Turkey began to form closer ties with Muslim Brothers in Egypt, which caused tension in Turkish-Egyptian relations after the army chief Abdel Fattah el-Sisi toppled elected President Mohamed Mursi of the Muslim Brotherhood in 2014 (Georgy, 2014).

Other major characteristics of this era were “New Turkey” vision, “Big Restoration”, meaning restoration of the Islamic identity, and more Islamic geopolitical thinking. The restoration era was juxtaposed to the further

⁹ Quoted in Prifti, 2017: 131.

flourishing of Islamic Ottoman memory, and turn to “older tradition of Islamic values”, which all had critical implications for the Turkey’s policy foreign policy in the Western Balkans. The increased activism in the Middle East and the Balkans was also related to the policy of constructing “new” Turkey, matured and officially named later in 2012,¹⁰ which implied forming a new political identity of Turkey and re-narrating the past.¹¹ The use of a rhetoric blended with political Islamic discourse attaching special importance to the past, particularly the Ottoman past, despite maintaining the rhetoric of building a better future, became more conspicuous after the electoral victory of Ak Party in November 2015.

Not only the glory of the Ottoman past, but the Turkish conquest of Anatolia and the victory of *Manzikert War in 1071* were all honoured in the public discourses. The restoration of Islamic identity and memory has been accompanied by the re-emergence Turkish Eurasianist geopolitical orientation, which is ideologically akin to *Turanism* and *Kızıl Elma* (Red Apple), Turkic-Eurasia geopolitical thinking, formerly formulated by the ultra-nationalist political thinkers (e.g. Alparslan Türkeş who was the founder and president of the Nationalist Movement Party). Ak Party’s vision of «Holy Walk» and «One thousand Years Walk», meaning the walk of the Turks from Central Asia to Anatolia, ideologically akin to Turanist Eurasia geopolitical tradition, has become a key element in its geopolitical discourse. This is the expansion of the Muslim focused third circle (in our model of concentric circles) with the integration of the Turkic sentiments and fusing Turkic and Muslim elements in Turkish geopolitical vision.

The Holy Walk discourse was first adopted by Davutoğlu in 2014, and it has been promoted by President Erdoğan since then. The «One thousand Years Walk» discourse has gained more symbolic power with President

¹⁰ The policy of constructing new political identity was declared by the then Prime Minister Erdoğan at the Ak Party’s 4th Grand Congress on September 30th, 2012, <<http://www.akparti.org.tr/site/haberler/basbakan-erdoganin-ak-parti-4.-olagan-buyuk-kongresi-konusmasinin-tam-metni/31771>>, accessed on 15.9.2018. Islamic references and references to historical symbols of “the great nation” were noticeable in his speech (Duran, 2013). See “Political Vision of Ak party”, <<https://www.akparti.org.tr/english/akparti/2023-political-vision>>, accessed on 15.9.2018.

¹¹ Dienstag (1997) discusses the relationship between narration and the political identity.

Erdoğan making it a motto of Ak Party after the November 2015 General Election. The slogan, “Holy Walk will continue” appears in the official web page of Ak Party.¹² President Erdoğan frequently refers to “Holy Walk of the Turkish nation” at rallies and TV speeches. Following the failed coup of July 2016, which was seen as a betrayal to Turkish nation, this motto has gained more importance.

Different from the former two eras, domestic and regional conflicts marked this third era. The tension in the Turkish-Egypt relations, Syrian conflict, and the developments in Syrian with implications for Kurdish autonomy that also created domestic tension, were the Middle East based major conflict dynamics affecting Turkey’s foreign policy and security considerations, particularly since the year 2014. Increased security concerns motivated Ankara to be more Hobbesian in its strategic vision. Turkey’s security concerns have been depended with the internal “terror treats related to FETÖ and the PKK”. With the increasing conflicts at home and in the Middle East, Turkey’s soft-power policy has been challenged and the “national security” concern has been the dominant denominator in foreign and domestic policy. Turkey felt the urgent need to safeguard its core from the chaos in the Middle East and maintain its territorial integrity. Consequently, Turkey ended the Reconciliation Process and started military operations (in early September, 2015) against the PKK, which had waged a campaign of insurgency against Turkish security forces since the early 1980s. Added to this, the political risks augmented after the 2016 failed coup and the “need to fight against terrorism” has further amplified Turkey’s security anxiety.

The narration that the failed coup as “big a betrayal” to Turkish nation was anchored in the Turkish political and geopolitical memory. It was con-

¹² Associating “Holy Walk” with Ak Party is best exemplified in its official web pages, <<https://www.akparti.org.tr/site/haberler/millete-hizmet-yolunda-kutlu-yuruyuse-devam/91853#1>>, accessed on 27.9.2018. It was also visible in the headlines, “Kutlu Yürüyüş Devam Edecek” (“Holy Walk will continue”) of Pro-Islamic and pro-government daily, *Yeni Şafak*, after Ak Party lost the June 1, 2015 election (08.6.2015); <<https://www.yenisafak.com/secim/kutlu-yuruyus-2159435>>, accessed on 27.9.2018. This motto also marked the 2nd Justice and Development *Party* Extraordinary *Congress*, held on 22 May 2016. This congress confirmed Binali Yıldırım as party chairman, replacing the then prime minister Ahmed Davutoğlu.

structured both as a tragedy, similar to the previous tragic events (e.g. World War I, the occupation of Turkey by Allied Forces, Sevres Treaty), but also as a victory, which was fight of the Turkish people to stop the coup attempt, narrated as “a new saga” (Narli, 2018). The government launched several commemorative practices to memorialize the July 15 failed coup, to remember its victims and to honour those who bravely fought against the coup attempt. By employing different agencies, the failed coup narrative has been communicated in different arenas, ranging from the smallest unit family networks to the public sphere of the nation-state (e.g. schools, ministries, public institutions, companies, even cemeteries). The US and Western Europe were often blamed in the Turkish press as allies of the failed coup (Narli, 2018).

The geopolitical memory of the 2016 failed coup has multiplied real and perceived security risks at a time of building “a new Turkey” and moving to Presidential System, which all led the President incrementally institutionalising the “emergency state” that prioritise security at all costs. Following the 2018 presidential election and Erdoğan’s victory, the state of emergency was lifted. Nevertheless, the Erdoğan government needs to help confront domestic security threats (e.g. “FETÖ and PKK”) and “geopolitical risks” posed by the conflicts in Syria and Iraq as well as an insurgency of the PKK in the southeast. The need emergency state was mentioned by Justice Minister Abulhamit Gul who stated: “Ending the state of emergency should not be deemed as ending our fight against terror, the most persistent and determined fight against all kinds of terrorism, especially the FETÖ, will continue till the end.”(Solaker and Toksabay, 2018). The geopolitical risks “originating from the Syrian conflict” were referred in the New Medium-Term Program for 2019-2021 (released on September 20, 2018)¹³ as the risks and the problems that slowed down the economy within the last two years. The internal terror dynamics and Syrian-conflict related tensions, including the complicated situation in Idlip, which creates divergences and convergences in the geopolitical interests of these

¹³ “Due to the geopolitical risks and increasing terrorist attacks from Syria, security policies were inevitably prioritised; and this period did not allow for the structural transformations planned in our economy.” (Presidential Decree, Document No 108, 20 September, 2018, p. 4; *The Official Gazette of the Turkish Republic* <<http://www.resmigazete.gov.tr/eskiler/2018/09/20180920M2.htm>>.

three actors, all have moved Turkey ever-increasingly becoming an emergency state. Yet geopolitical features and the “political memory”, the remembered past political events and personalities, have written extensively on the return to security state.

	Pre-Ak Party (1990-2002)	2002-2008	2009-2018
Geopolitical Orientation	Predominantly Western oriented “Peace at Home, Peace Abroad” principle	Strong Western-oriented geopolitical thinking Islamic geopolitical vision began to cherish	Strong Islamic geopolitical thinking Return of Turanist geopolitical vision
Security Culture and Strategic Environment	Hobbesian Sustaining the traditional «insular and risk-averse ‘Republican’ strategic culture paradigm» (Mufti, 2009)	Kantian (Win-win approach) “Zero conflict” Soft-power policy	Hobbesian Risk-taking ‘Imperial’ paradigm» (Mufti, 2009)
Politics of Memory	No significant reference to Ottoman and Islamic past	Limited references to Islamic figures and Ottoman past	Restoration of Ottoman and Islamic memory and identity New Turkey discourse; «Holy Walk» discourse
Domestic and Foreign Policy	Foreign policy Institutionally anchored in the West (Nato, EU, US) Liberalism, democratic values	Harmonising domestic and foreign policies with the EU Historical responsibility to Balkan Muslims	Divergence from the liberal policy and the EU-focus Desire for being regional superpower Mediating regional conflicts and consolidating regional alliances 2014-2018 Gearing foreign

			<p>policy to the Middle East</p> <p>“Security of Muslims in the globe” discourse and policy</p> <p>«Big Restoration»</p> <p>“Building New Turkey”</p> <p>Failed Coup Attempt (2016)</p> <p>US-Turkish tension (2016-2018) Presidential system</p>
Regional and International Dynamics	US activity in the Balkans, Middle East	Turkish-US strategic cooperation	<p>Arab Spring</p> <p>US retreat policy and withdrawal from the Balkans under the Trump rule¹⁴</p> <p>Increased Russian activities in the Balkans</p> <p>Global geopolitical uncertainties</p>

Figure 2: Turkish Geopolitical Thinking, Memory, Domestic and Foreign Policy Dynamics, in Shifting Political Contexts.

Turkey and Greece: Tension and Cooperation

Greek-Turkish conflict, which is one of the few oldest enduring conflicts between neighbours, is an identity based conflict (Heraclides, 2011). Collective memory, politics of memory of the both states, narrations of the past

¹⁴ Interview with Siebo Janssen (2017) "Trump will relinquish Balkans to Putin" - German analyst, 19.01.2017, <https://www.b92.net/eng/news/world.php?yyyy=2017&mm=01&dd=19&nav_id=100287> accessed on 26.9.2018. Also see «Balkans in the era of ‘America First’» <<http://foreignpolicynews.org/2018/02/22/balkans-era-america-first>>, accessed on 26.9.2018.

and current events and perceptions of threat are critical factors in the conflict. Asymmetrical threat perceptions in Turkish-Greek relations (“the giant Turkey” can attack Greece anytime) originate from the Greek political memory of the Ottoman rule. Despite such strong geopolitical memory of fears and traumas, both countries, allies in NATO, have been able to form amicable relations amid ups and downs in their bilateral ties. Several issues, including the Cyprus question, Muslim Turkish Minority in Greece, Status of Mufti, dogfights between fighter planes have been the sources of the tension.

In recent years, after a period of good neighbourly relations between the two countries, tension and negative mutual perceptions by the Turkish and Greek public have augmented following the failed coup of July 15th 2016. The issue of the military that were involved in the coup and who fled to Greece to ask for political asylum has been the recent issue, added to the refugee smuggling and the irregular migration from Turkey to Europe via Greece issue that has stressed the EU-Turkey relations and Turkey’s relations with Greece.¹⁵ The recent crisis caused by the Turkish military involved in the failed coup brought the return of dog fight of the Turkish and Greek warplanes and boats facing off in disputed airspace and maritime zones. The crisis became more complicated with the arrest of two Greek soldiers crossing the Turkish border near the Meriç River, which borders the two countries in the north in March 2018.¹⁶ They were charged with “attempted military espionage” and “entering forbidden military territory.” On August 14, 2018 a court ordered their release and they returned home, a step in easing the current tension.

¹⁵ Human smuggling from Turkey to Greece is a problem of the last four decades; it has become more complicated with the Syrian war (2011) that induced huge numbers of Syrians, added to Iraqis, Afghans and Africans, crossing the Aegean Sea between Turkey and Greece. To stop the flow of irregular migration via Turkey to Europe, in March 2016, the EU’s refugee agreement with Turkey was signed. Turkey agreed to take back migrants who enter Greece, and send legal refugees to EU. The EU agreed to give Turkey six billion euros aid to help migrants, and to provide Turkish nationals an access to the Schengen passport-free zone by June 2016. See *EU-Turkey statement, 18 March 2016*, <<http://www.consilium.europa.eu/en/press/press-releases/2016/03/18/eu-turkey-statement/>>.

¹⁶ See “Inside Europe: Tensions re-emerge between Greece and Turkey”, DW, 09.03.2018, <<https://www.dw.com/en/inside-europe-tensions-re-emerge-between-greece-and-turkey/av-42901035>>, accessed on 11.12.2018.

In the recent history, in 1996 the Kardak crisis stressed Ankara and Athens when Greek government issued a bellicose statement regarding the status of the Kardak islets, (known as Imia and lie just seven km (3.8 nautical miles) from the Turkish resort town of Bodrum in the southwest) after a Turkish cargo vessel went ashore nearby. The crisis escalated with first Greek journalists, then Turkish ones hoisted their countries' flags on the rocks and this flag war angered both nations. Athens and Ankara respectively deployed military forces on Kardak in a sign of imminent armed confrontation. In 1999, a new crisis added, which was storm of crisis due to Greece sheltering the head of the PKK. The two countries opened a dialogue on non-sensitive issues such as trade, the environment and tourism in early 2000s, as part of the Turkey's new soft power policy.

Turkey and Western Balkan Countries: Perceptions and Principles of Foreign Policy

Turkey's relations with the Western Balkan countries and its activism in the region are described above and related to Turkey's geopolitical vision. Turkey has historical, cultural and ethnic ties with the communities in the Balkans (Mulalić et al, 2013) and significant historical capital, linked to and feed by religious and ethnic identity and memory in the Western Balkans. Turkey's foreign policy towards the Western Balkans is based on five principles adopted by the Ak Party, and these principles are consistent with its soft-power policy and regional activism. Amongst the Western Balkan countries, Bosnia-Herzegovina, Albania, Kosovo and Macedonia have Muslim populations who are seen as people having ethnic and religious ties with Turkish people.

These five principles are as follows: cooperation in defence, economic cooperation, building and enhancing cultural bridges and the use of soft power, concern for the security of the Muslim people (Petrović & Reljić, 2011; Türbedar, 2011; Vračić, 2016). Ankara's involvement in Bosnia, its rapprochement with Serbia, the influx of Turkish investors in Albania, Kosovo and Macedonia and the popularity of Turkish TV series across the Balkan countries are manifestations of these policy principles. This is also consistent with Turkey's activism policy in the Balkans.

Conclusion and Recommendations

In carrying out its foreign policy, the national interest of Turkey is important; nevertheless due consideration is also given to Turkey's leadership role in the Middle East and Balkans under the Ak Party rule. This is constructed and re-constructed in changing political contexts where the memory, representations of the past, traumas, identity, the ideas about the best models and policies for Turkey interact and re-configure Turkey's foreign and security policy. Social and political dynamics, associated with the restoration of Islamic identity and memory, have an effect on Turkey's Western Balkan Policy. The link between the restoration of Islamic identity, memory and the shift from the Western-oriented geopolitical thinking to the Middle East and Eurasia centred thinking and giving special importance to Turkic and Islamic ethnicities and identities are critical in shaping the Turkish geopolitical thinking and foreign policy, which creates divergences from the EU friendly policy within the last five years. Given the fact that Turkey faces real and perceived security treats, originating from the conflict situation in the Middle East, the growing terror risks defined by the government, Turkey might need more encouragement to revitalise its former EU harmonisation policies in order to cope with the regional and domestic challenges.

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PART II:

**TRANSNATIONAL COMMON CHALLENGES
AND SOLUTIONS**

Current Trends, Institutional Framework and the Response of the Republic of Serbia in the Field of Countering Irregular Migration Caused by the Migrant Crisis

Saša Gosić and Siniša Dostić

Introduction

The migrant crisis initiated from the Middle East has hit the countries on the transit routes of migration, such as the Republic of Serbia, all the way to the countries of the final destinations i.e. countries of Western Europe. During the period of its culmination, the Republic of Serbia, which borders with 8 countries, was exposed to a great challenge such as irregular migration which required the inclusion of new entities (Serbian Armed Forces) apart from the existing border security system entities (Border police and Customs). This type of migration as part of the migrant crisis, apart from the security challenge, also represents a potential security threat (human smuggling, human trafficking, potential terrorist threats, etc.) with numerous implications that need to be dealt with adequately and systematically. In this regard, within the past three years, in addition to strengthening of the state border security entities in personnel and resources, the Republic of Serbia undertook a whole set of measures that included the improvement of the legal framework for countering irregular migration in the form of reviewing the existing and adopting new strategic documents and laws, as well as further development of international police cooperation. The purpose of this paper, among other things, is to look at the previous and current trends in irregular migration caused by the migrant crisis, analyse current experiences and challenges in this area, as well as new strategic documents and legal solutions.

Key words: migrant crisis, Republic of Serbia, trends, challenges, response, international police cooperation.

Current Trends of Irregular Migration Caused by the Migrant Crisis in the Territory of the Republic of Serbia

Long-standing armed conflicts and differences in economic and social status in the region of the Middle East and North Africa have contributed to the mass migration of the population from these regions to the countries of the European Union.

The Republic of Serbia, according to its geographical position, is located on the “West Balkan Route”, and as a transit country, it faces the great pressure of irregular migration. This pressure was particularly considerable during 2015 when 599,033 irregular migrants were detected in the territory of the Republic of Serbia (this number represents the total number of the expressed intentions for asylum seeking: 579,518; the number of persons who were issued with the Certificate of entry into the territory of the Republic of Serbia, and who were coming from the countries where their lives had been in danger: 5,101, and the number of filed misdemeanour charges for the illegal crossing of state border: 14,414).

The national structure of migrants, who transit through the Republic of Serbia, has partially changed in comparison with the previous years, when the citizens of Afghanistan and Pakistan were predominant. During 2015, the growth of the number of Syrian citizens was registered, due to the escalation of armed conflicts in that country, however bearing in mind the fact that the nationality and identity of a person is often determined only on the basis of a personal statement by a migrant.¹

In 2016, 111,143 irregular migrants were detected in the territory of the Republic of Serbia. This number represents the total number of the expressed intentions for asylum seeking (12,811), the number of persons who were issued with the Certificate of entry into the territory of the Republic of Serbia and who were coming from the countries in which their lives had

¹ For more information about the situation in 2015 and measures taken on national level, Gosić, S.: “*Experiences from Dealing with Migration Crisis in the Republic of Serbia*”, South East Europe’s Consolidation in Light of the EU Crisis, Refugee Influx and Religious Extremism, Study Group Information, Republic of Austria/Federal Ministry of Defence and Sports, National Defence Academy, Band 4/2017, Vienna, February 2017.

been in danger (96,236), and the number of reported misdemeanour charges for illegal crossing of the state border (2,096).

After the European Union Summit held on March 7, 2016 in Brussels (where some of the key decisions were taken to resolve the migrant crisis leading to the closure of the West Balkan Route of migrants), as had been expected, in the territory of the Republic of Serbia there has been an increase in the number of persons prevented from attempting illegal border crossing. At the same time, there has been an increase in human smuggling in the territory of the Republic of Serbia. The entry points under the greatest pressure are the state borders with Bulgaria and FYROM (direction from Greece), while the main exit points are the state borders with Croatia and Hungary. During 2017, 7,505 migrants were detected in the territory of the Republic of Serbia, of which 6,195 expressed their intention to seek asylum, while 1,310 were charged with misdemeanour.

A similar migratory situation was recorded in 2018, according to the available data of the Border Police Department. During the first eight months of 2018, 6,834 migrants were detected, out of which 5,795 expressed their intention to seek asylum, while 1,039 were charged with misdemeanour. During the same period a total of 4,152 persons were prevented from illegally crossing the state border. Out of those 1,914 were caught in an attempt to cross the state border, while 2,238 persons were registered at the moment they withdrew from attempts to illegally cross the state border after spotting the state security agency, of which 99, 8% (2,234) on the border with FYROM – which points to the direction of irregular migration from Greece. Out of the 1,914 persons caught in an attempt to cross the state border, 1,208 were captured at the exit from the Republic of Serbia (526 towards Hungary, and the remaining number towards Croatia, Bosnia and Herzegovina, and Romania), and 706 at the entry into the country, of which 374 on the border with FYROM.

In 2017 and 2018, when a number of migrants remained “stuck” in the Republic of Serbia which is not their desired destination, human smuggling became a current issue once again.

Institutional Framework of the Republic of Serbia in the Field of Countering Irregular Migration Caused by the Migrant Crisis

The complexity and multidimensionality of the problems of irregular migration triggered by the migrant crisis, required the Republic of Serbia to establish an appropriate institutional framework, i.e. to engage representatives of various state institutions important for the suppression of irregular migration, such as: the Ministry of the Interior, the Commissariat for Refugees and Migration, the Republic Public Prosecutor's Office, the Ministry of Justice, the Security Intelligence Agency, the Ministry of Foreign Affairs, the Public Policy Secretariat of the Republic of Serbia, the Customs Administration of Serbia, the Ministry of Labour, Employment, Veteran and Social Policy, the Ministry of Finance, the Ministry of Health, and the Ministry of Trade, Tourism and Telecommunications.

In the Ministry of the Interior, specialised units have been formed to counter irregular migration. They are located in the Border Police Department, the Regional Border Police Centres, the Criminal Police Directorate – the Service for the Fight Against Organized Crime, the Police Department for the City of Belgrade, the Department for Foreigners, and regional police departments.

On April 4, 2016, the Ministry of the Interior and the Republic Public Prosecutor's Office concluded a Memorandum of Cooperation in the field of fight against human trafficking with the objectives of more efficient cooperation between the police and the prosecution in order to combat human smuggling, conduct investigations and intensify information exchange both with the police in the region and EUROPOL. On the basis of the Memorandum, in September 2016, a Permanent Impact Group for the Fight Against Human Smuggling was founded with the aim of establishing the conditions for the more efficient work of the police and the prosecutor's office, carrying out priority intelligence-led investigations, parallel to conducting the financial investigations, intensifying the exchange of information with the police in the region and European law enforcement agencies, as well as identifying victims of human trafficking in human trafficking chains and other criminal offenses committed by criminal groups. This group consists of experienced police officers from the Border Police Department, the Criminal Police Directorate, the Service for the Fight Against

Organized Crime, and the Police Department for the City of Belgrade, as well as the representatives of the Prosecutor's Office for the fight against organised crime. The same Memorandum of Cooperation was also signed with the Commissariat for Refugees and Migration of the Republic of Serbia on May 29, 2018.

The Commissariat for Refugees and Migration acts in accordance with the Law on Migration Management and performs tasks related to the following²:

- proposing programs for developing a system of measures against families which illegally reside in the territory of the Republic of Serbia;
- proposing programs for the support of voluntary return of foreigners who illegally reside in the territory of the Republic Serbia to the country of their origin;
- keeping records from their jurisdiction and establishing databases;
- providing information to other entities within the system;
- monitoring the implementation of migration policy measures;
- coordinating and organising primary acceptance and cooperation with the receiving communities;
- operational implementation of planned activities on the ground;
- the successful reintegration of repatriates.

Since the large influx of refugees during 2014 and 2015, the Commissariat has been the competent authority not only for the regular centres for the accommodation of asylum seekers, but also for 14 temporary centres open

² Contribution of the Commissariat for Refugees and Migration.

for the purpose of accommodating a large number of asylum seekers and migrants.

In June 2015, the Government of the Republic of Serbia formed a Working Group to solve the problem of mixed migration flows, which played a significant role in the successful response to the large migration wave that passed through Serbia that year. There are several other bodies founded by the Government of the Republic of Serbia, which have competencies in the field of migration management. In the area of prevention of irregular migration, important role has been given to the following entities:

- The Coordination Body for Migration Monitoring and Management, which is responsible for directing the work of ministries and special organisations in order to define the goals and priorities of migration policy and migration monitoring and management;
- The Anti-Trafficking in Persons Council;
- a commission for monitoring the visa-free travel regime with the European Union, which is in charge of examining issues related to the increase in the number of false asylum seekers in the EU countries who are coming from the territory of the Republic of Serbia, and of proposing to the Government to consider and decide on measures aimed at reducing the number of false asylum requests;
- a council for the integration of repatriates based on readmission agreements³.

It is also important to note that on July 17, the Government of the Republic of Serbia issued a decision to establish joint forces of the army and the police in order to protect the borders of Serbia towards FYROM and the Republic of Bulgaria from illegal transfers and illegal activities of migrant smugglers. In the period from its formation until April 2017, the joint forces of the army and the police discovered more than 20,000 migrants who

³ IOM, 2011, Overview of the Legal and Institutional Framework of the Republic of Serbia in the Field of Migration Management.

tried to cross the state border illegally, and prevented 121 attempts to smuggle migrants during which 139 smugglers were captured⁴. This information indicates that there is a need to enhance the activities of the security forces and the judiciary, both in dealing with smugglers, and in cooperation with the police and prosecutor's offices of other countries which are situated in the direction from the country of origin to the destination country of migrants.

In December 2016, a revised Response Plan was adopted in reaction to the increase in the number of migrants in the territory of the Republic of Serbia for the period April-December 2017. Analysis of the trend of identification of irregular migrants at the borders towards the neighboring countries shows that there was a significant change in 2016 compared to the previous years. The pressure at the borders with Bulgaria, Hungary and FYROM has sharply declined (by more than 80%), but the number of irregular migrants has increased at the borders with Croatia, Romania and Montenegro. This finding confirms the conclusion that the preventive measures at the borders with FYROM, Bulgaria and Hungary, where the main wave of 2015 broke out, have yielded fruit, but that those irregular migrants who remained stuck in Serbia are now looking for alternative routes for exit towards the EU.

It is necessary to bear in mind the importance of international police cooperation. In this regard, it is also necessary to emphasise that a programme of special measures for the management of the migration crisis financed by the EC is being implemented at the border with Bulgaria. The project started on October 24, 2016 and lasted until the beginning of March 2017, and it included the participation of 50 international and 50 Serbian police officers who rotated at certain time intervals. Due to the good results achieved, the EC was requested to extend the project and it was approved. Therefore, new teams were deployed on the part of the state border towards Bulgaria, which includes representatives of the following countries: Slovenia, Hungary, Slovakia, France, Austria and the Czech Republic.

⁴ Statement of the command of the joint forces of the army and the police of the Republic of Serbia, <<http://www.mod.gov.rs/lat/10092/saopstenja-komande-zajednickih-snaga-vojske-i-policije-10092>>, downloaded on August 1, 2017.

The Achieved Results of the Republic of Serbia as Part of the Response in the Field of Countering Irregular Migration Caused by the Migrant Crisis

When looking at irregular migrations, an insight into the following trends of irregular migration (stagnation, increase or decrease, as well as their proportion) must be allowed:

- in the activities of smugglers of people, especially whether they work individually or work as organised smuggling networks, as well as whether they are connected with the smugglers from the other side of the border;
- in the number of irregular stays discovered in the interior of the country;
- in the number of denied entries – persons returned from the entry and the possible detection in their subsequent trial of the illegal entry into the country;
- in the cases of misuse of travel documents (forgery and use of someone else’s travel document)⁵.

In the continuation of this paper, we will elaborate some of the above indicators in more detail.

In the period since the onset of the migrant crisis, since the second half of 2014 until now, the Republic of Serbia has achieved significant results in countering irregular migration caused by the migrant crisis. Table 1 presents the results of the Ministry of the Interior and other entities for the period 2014-2017 when it comes to the number of criminal charges for the criminal offense under article 350 of the Criminal Code “Illegal crossing of

⁵ Dostic, S.; Markovic, D. (2016). Operational Risk Analysis Model used by the Border Police of the Republic of Serbia, Journal “Bezbednost” vol. LVIII (3): 37.

the state border and smuggling of people”⁶. The table also includes the number of perpetrators of criminal offenses, and the number of smuggled persons.

Year	Number of criminal charges	Number of perpetrators of criminal offenses	Number of smuggled persons
2014	277	516	3181
2015	759	1127	8068
2016	349	604	5181
2017	163	286	1976
Total:	1548	2533	18406

Table 1: Result of the Ministry of the Interior and other entities for the period 2014 to 2017 in the area of the number of criminal charges, perpetrators of criminal offenses and smuggled persons⁷.

In the above-mentioned period, a total of 1,548 criminal charges were filed against 2,533 persons, and smuggled 18,406 persons were detected. Analysis of the achieved results shows that the Republic of Serbia was most affected by the migrant crisis in 2015 when 759 criminal charges were filed (49% of the total number of filed criminal charges) against 1,127 persons (44% of the total number of perpetrators), which revealed 8,068 smuggled persons (43% of the total number of smuggled persons). After 2015, the trend of irregular migration is in constant decline. In this context, it should be added that in 2016, citizens of Serbia prevail among perpetrators of this criminal offense (80.8%). As far as the smuggled persons are concerned, after the great wave of Syrian refugees had died down, the structure of participation in smuggling has changed – in 2016 the citizens of Afghanistan were most frequently smuggled (2,321), while the Syrians were second place (736).

In the period from January to July 2018, 51 criminal charges were filed for the criminal offense of Illegal crossing of the state border and smuggling of

⁶ Criminal Code of the Republic of Serbia, Official Gazette of the Republic of Serbia, No. 85/2005, 88/2005 – corrected, 107/2005 – corrected, 72/2009, 111/2009, 121/2012, 104/2013, 108/2014 and 94/2016.

⁷ Data of the Ministry of the Interior of the Republic of Serbia in the field of irregular migration for the period 2014-2017, Belgrade, 2018.

persons against 94 persons. Most of the perpetrators were Serbian citizens, while the citizens of Afghanistan, Pakistan and Bulgaria also appear as perpetrators and also both as organisers, and guides to irregular migrants.

Since the beginning of the work of the Permanent Impact Group for the Fight Against Human Smuggling, 19 operational data processing projects have been initiated, on the basis of which 16 criminal charges were filed, 9 against organised criminal groups – 103 suspected persons were apprehended for the criminal offense of Illegal crossing of the state border and smuggling of persons from Article 350 paragraph 4 of the Criminal Code, and 7 criminal charges for individual crimes.

The above-mentioned organised criminal groups have facilitated the smuggling through the territory of the Republic of Serbia for about 1,100 irregular migrants, mostly from Pakistan, Afghanistan and Syria. The agreement on the admitting of a criminal offense was concluded by 91 out of 103 arrested members of organised criminal groups. Based on the agreements concluded with a total of 73 suspects, sentences were declared for the total of 217 years and 4 months; 142,835 Euro were seized, as well as 174,150 dinars of illegal proceeds, 26 passenger vehicles and over 100 mobile phones. During the conduct of investigations, cooperation at a high level with all the countries of the region was achieved, and the most with the then FYR of Macedonia, Hungary, Austria, Croatia, BiH and Montenegro; and considerable data were exchanged with Europol, INTERPOL and SELEC. As one of the issues during work, the problem of providing real-time translations for Urdu, Pashto and other languages has been identified. The problem of translation was also pointed out by the prosecution during criminal proceedings, as it leads to increased costs.

Apart from the results achieved, it is necessary to emphasise certain problems that the Republic of Serbia has encountered in the field of countering irregular migration caused by the migrant crisis, among which are the following:

- difficulties in financing border protection activities;
- slow communication between state authorities and other entities dealing with irregular migration;

- difficult return of migrants to the countries of origin and transit;
- migrants who do want protection in the Republic of Serbia, their goal is to continue to the EU;
- non-regulated work of some NGOs with migrants (they provide services which they are not licensed for, and do not coordinate their activities with the competent state authorities, which leads to doubling the resources at some places, and at some places they are insufficient; and at the same time they make it difficult for the state to fulfil its obligations);
- lack of readmission agreements with individual countries;
- unclear status of the persons ordered to leave the country, and they cannot be implemented because there are no conditions in the country of origin or it is not possible to determine the identity of the migrant, there is no supervision over the implementation of the measures;
- insufficient number of trained people at the Commissariat for Refugees and Migration and in centres and facilities for unaccompanied minors;
- insufficient capacity for occasional massive migration influx.

The mentioned problems required the systematic responses of the Republic of Serbia in terms of irregular migration, and in particular the amendments to the legislative (legal) framework, which called for the adoption of appropriate strategic documents, laws and other regulations.

New Legislative Framework as Part of the Republic of Serbia's Response to Irregular Migration Caused by the Migrant Crisis

The Republic of Serbia has so far paid special attention to the control of the borders, and adopted its first Integrated Border Management Strategy with the corresponding Action Plan in 2006 and the second in 2012, which

were harmonised with the EU guidelines for the countries of the Western Balkans. Also, the Functional Strategy was adopted in 2006 regarding the areas of interest for all border services (training, infrastructure and equipment, IT and telecommunication systems). By implementing these documents, the Republic of Serbia made significant progress in the alignment of national legislation with the EU Acquis in the past period, the administrative and institutional capacities of all relevant services have been significantly strengthened and the level of technical equipment of all competent agencies in border control has been raised. In order to continuously improve border control, in accordance with the criteria for opening Chapter 24 of Justice, Freedom and Security, the Republic of Serbia has developed an Action Plan that envisages the adoption of the Multi-Year Integrated Border Management Strategy in line with the 2006 EU concept, including measures to improve inter-agency cooperation, including the exchange of information through joint operational work at the border⁸. New Strategy for Integrated Border Management in the Republic of Serbia for the period 2017-2020 was adopted on February 3, 2017⁹. This strategy defines the main security threats such as irregular migration, cross-border crime, major threats to the border control of the main threat to control the state border, and ways to eliminate them.

It should be noted that until 2014, the Republic of Serbia had a Strategy for Countering Illegal Migration in the Republic of Serbia for the period 2009-2014¹⁰ the main goal of which was to improve effectiveness and increase efficiency in countering illegal migration. Although with a delay of 4 years, the final activities for the drafting of the new Strategy are in progress in this area. The new Strategy would refer to the period from 2018 to 2020¹¹.

Currently, the draft of the new Strategy for Combating Irregular Immigration for the period 2018-2020 (hereinafter: the Strategy) has passed the

⁸ Strategy for Integrated Border Management in the Republic of Serbia for the period 2017-2020 “Official Gazette of the Republic of Serbia”, No. 9/2017.

⁹ “Official Gazette of the Republic of Serbia”, No. 9/2017.

¹⁰ “Official Gazette of the Republic of Serbia”, No. 25/2009.

¹¹ Dostić, S.; Keković, Z. : Comparative overview of the security systems of state borders of BiH and the Republic of Serbia, Monograph of international significance “Comparative Security Systems: Similarities, Differences and Cooperativity”, Faculty of Legal and Business Studies, Belgrade, 2018, p. 339.

public debate and its adoption is expected by the end of 2018. The goal of the new Strategy is to increase the regularity of migration flows and to successfully manage migration at the borders and territory of the Republic of Serbia. The strategy arises from the perceived need to approach the problem of irregular migration in an organised and coordinated manner, respecting the security needs and development interests of the Republic of Serbia and its citizens, on the one hand, and the need to respect universal human rights and freedoms in the context of migration, on the other. By adopting and implementing this strategy, the Republic of Serbia will continue the trend of improving its migration policy, which is developing dynamically. The Action Plan for Chapter 24, which is the main framework for the activities of the Government of the Republic of Serbia in this area, and in particular the Ministry of the Interior, which is the leading ministry within the Negotiating Group, as well as other competent institutions, foresees a series of activities aimed at preventing irregular migration and support irregular migrants who are on the territory of the Republic of Serbia. Also, irregular migration is already mentioned in the introduction of the key strategic document in this area, the Migration Management Strategy, where it is emphasised that “planned and organised migration management implies monitoring of external and internal migration movements and implementation of activities that will lead to the promotion of regular and suppression of irregular migration”¹².

During the migration crisis identification of trafficking victims among the migration population was one of the greatest challenges although some valuable results were achieved and activities were taken. In that sense adoption of new Anti-trafficking Strategy will improve national referral system in this matter.

Strategy for the Prevention and Suppression of Trafficking in Persons, Especially Women and Children, and for the Protection of Victims 2017-2022 with the accompanying Action Plan for the period 2017-2018 (August, 2017) was adopted by Government on August 4, 2017¹³.

¹² Migration Management Strategy, “Official Gazette of the Republic of Serbia“, No 59/2009

¹³ “Official Gazette of the Republic of Serbia”, No. 77/2017.

In order to implement the adopted Strategy and Action Plan, the Office for Coordination of Action to Combat Trafficking in Human Beings at the national level with a multidisciplinary approach was established within the Police Directorate's headquarters. The task of the Office is to monitor, coordinate and direct the implementation of measures and actions aimed at combating trafficking in human beings and of the new national strategy, as well as to prepare meetings of the Council for Combating Trafficking in Human Beings and the operational level carries out Council decisions.

On October 6, 2017, the National Coordinator for Combating Trafficking in Human Beings was appointed by the Government Decision, who at the same time was the Head of the Office for Coordination of Activities in Combating Trafficking in Human Beings.

On October 12, 2017, the Government of the Republic of Serbia adopted a new Decision on the establishing of the Council for the Fight against Trafficking in Human Beings and the appointment of its members. On October 17, 2017, the President of the Council for the Fight against Trafficking in Human Beings and the Minister of the Interior passed the Decision on the forming of the Special Working Group for the Implementation and Monitoring of the Strategy for the Prevention and Suppression of Trafficking in Persons, Especially Women and Children, and Protecting Victims 2017-2022 years. A special working group consists of representatives from a total of 17 ministries and state bodies, the Red Cross of Serbia and two specialized civil society organisations "Atina" and "ASTRA".

On December 7, 2017, the First Session of the Council for Combating Trafficking in Human Beings was held, chaired by the President of the Council, Deputy Prime Minister and Minister of the Interior. At the first meeting of the Council, the conclusions were drawn, which inter alia refer to: improvement of the system of identification, protection, assistance and support to victims of trafficking in human beings; improving a proactive system for detecting cases of trafficking in human beings; the improvement of the work of the Local Anti-Trafficking Teams in 17 cities across the territory of the Republic of Serbia. Furthermore, a conclusion was reached on the adoption of the symbols of the Republic of Serbia against trafficking in human beings.

During 2018, the Republic of Serbia adopted a “set of migration laws” primarily with the aim of harmonising legislation with the directives and other EU regulations, but the content of which was influenced by the migrant crisis. These are the following laws that came into force on April 3, 2018: the Law on Asylum, the Law on Foreigners and the Law on Border Control.

The basis for passing the Law on Asylum is contained in Article 97, paragraph 1, item 5) of the Constitution of the Republic of Serbia¹⁴ according to which the Republic of Serbia regulates and secures the position of foreigners in connection with the provision of Article 57 of the Constitution, which states that a foreigner who has a reason to be afraid of persecution due to his race, sex, language, religion, nationality or membership of a group or because of his political beliefs, has the right to refuge in the Republic of Serbia, and that the procedure for obtaining shelter is regulated by law. Bearing in mind that the procedure of granting asylum and international protection is unified within the European Union, and that the minimum rights and obligations of asylum seekers and persons granted some form of international protection are the same in EU member states as well as the obligations undertaken in the accession process, the national asylum system needs to be aligned with the EU Asylum directives. Especially it has to be aligned with:

- Directive 2011/95/EU that sets out standards for the qualification of third-country nationals or stateless persons to exercise their right to asylum, standards to achieve the unique status of refugees, or persons eligible for subsidiary protection, as well as standards relating to the content (rights and obligations) of the approved protection;
- Directive 2013/32/EU which sets out a procedure for the recognition and denial of the right to asylum, with the emphasis that the above procedures must be the same in national legislation;

¹⁴ “Official Gazette of the Republic of Serbia” No. 98/2006.

- Directive 2013/33/EU, which prescribes the standard for the admission of asylum-seekers and Directive 2001/55/EC which prescribes minimum standards for the granting of temporary protection in the event of a massive influx of displaced persons, the measures applicable in respect of the admission procedure, the obligation for the state accepting the displaced persons as well as the rights and obligations of the persons who were granted temporary protection.

The adoption of a new law harmonised with the mentioned European Union Directives will also mean the fulfilment of obligations undertaken in the process of accession to the European Union, which are defined in Chapter 24 of the Action Plan adopted by the Government of the Republic of Serbia.

In order to work on further harmonisation of the regulations of the Republic of Serbia with the regulations of the European Union, a new Law on Foreigners was adopted, to replace the existing Law on Foreigners which was adopted in 2008¹⁵. Bearing in mind the commitments undertaken in the accession process, the Republic of Serbia has taken steps to comply with national legislation in the field of legal and irregular migration with the EU Directives regulating these areas:

- Directive 2003/86/EC on the right to family reunification, the 2003 Directive/109/EC on the status of third country nationals with long-term residence;
- Directive 2005/71/EC on the conditions for the admission of third-country nationals on the basis of scientific research;
- Directive 2004/114/EC on the conditions of admission of third-country nationals for the purpose of studying, student exchange, vocational education free of charge or volunteering;
- Directive 2004/81/EC on the residence permit issued to third-country nationals who are victims of trafficking in human beings or

¹⁵ “Official Gazette of the Republic of Serbia” No. 97/08.

who have been used for activities permitting illegal entry, and who cooperate with the competent authorities;

- Directive 2008/115/EC on the common standards and procedures of Member States for the return of third-country nationals with illegal stay;
- Regulation 810/2009/EC on the EU visa code.

The existing legal framework for the protection of the state border had to be updated and further harmonised with the *acquis communautaire* due to the passing of time. In connection with this, the Law on Border Control was adopted. In the process of joining the European Union, one of the key chapters for the admission of the Republic of Serbia into the European Union is Chapter 24 – Justice, Freedom and Security, which is the responsibility of the Ministry of the Interior. The sub-chapter 4 of the External Borders and Schengen envisages further harmonisation with EU standards. Namely, the integrated border management system, as such, continues to exist in the legal system of the Republic of Serbia. The bodies from the Integrated Border Management System undertake measures and activities that implement joint border management, in accordance with applicable laws, strategies and other acts, while border control (border control, border check and border vulnerability risk analysis) are within the competence of the border police. The novelties are also the provisions according to which certain competencies in the field of border crossing management (construction, equipment, current and investment maintenance of border crossings, as well as implementation of Government decision on the prevention of traffic communications, roads and areas which are not in the function of legal crossing of the state border) are transferred to The Republic Property Directorate of the Republic of Serbia, as a state authority in the Republic of Serbia in charge of managing public property. The main objectives of the Law on Border Control are the protection of the state border, the protection of life and health of people and the environment, prevention of perpetrating criminal acts, detection of criminal acts and misdemeanours, prevention of irregular migration, prevention and detection of other activities such as endangering public peace and order, legal framework and public security.

Conclusion

The Republic of Serbia has developed a system of countering irregular migration based on previous experiences with the migrant crisis. In addition to the adequate response, in the period of the migrant crisis, the Republic of Serbia encountered a number of problems in the field of irregular migration, such as: insufficient number of people and modern high-tech equipment to combat irregular migration; the difficult conducting of returns to the country of origin and transit of irregular migrants (due to both the lack of diplomatic relations with individual countries which migrants arrive from, and the approach of certain neighbouring countries that do not comply with the rules on the implementation of the readmission agreement of migrants); lack of readmission agreements with individual countries; the unclear status of the persons ordered to leave the country (there are no conditions in the country of origin or it is not possible to determine the identity of the migrant), the insufficiently available capacities for occasional massive migration influxes, the configuration of the terrain at the border of the Republic of Serbia suitable for irregular entry, etc. The above-mentioned problems lead to an endangered sustainability of the existing efficiency, which ultimately leads to increased costs for their functioning and unused development potential, which increases the security risk of both the Republic of Serbia and the region of the Western Balkans and beyond.

In this regard, it is also necessary to work on further compatibility of the system of countering irregular migration based on the implementation of common measures and activities in the field of: harmonisation of work and coordination of activities in the area of border control and improvement of cooperation at central, regional and local level; information exchange; mutual professional and technical assistance; joint risk analysis; organising joint actions and other activities; organisation of joint operational and professional teams in order to solve individual cases, development of common standards, technical criteria and harmonisation of procedures, especially in the part relating to information systems, joint use of equipment; procedure in case of extraordinary circumstances; further improvement of international judicial and police cooperation, etc.

Starting from the fact that irregular migration is a global phenomenon the influence and consequences of which exceed national frameworks, today, the Republic of Serbia has determined, within its jurisdiction and current position, to be a part of the European policy and strategy of countering these forms of criminal activity, primarily through the implementation of existing but also finding new strategic documents and legal solutions, in the area of preventive and repressive cooperation with all the relevant national and international entities.

The existing legislative framework, as well as the adoption of the new Strategy for Countering Irregular Migration should respond not only to the problems and challenges of irregular migration as a general phenomenon, but also to sudden migration waves, i.e. to anticipate the reaction of the system in the event of the influx of a large number of migrants.

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Secure Borders and Safe Places: Contradiction in Terms or Twin Concepts?

Berna Turam

The current refugee crisis has become a socially and politically divisive issue. Not only do the host states, particularly the EU members, have had unresolved disagreement among themselves, but also the local residents of host cities, towns and islands have become deeply polarized. These divides generate a lot of unrest, fear and conflict. My paper links macro-level security debates at the national and international scale with micro level daily safety issues of ordinary people, refugees and locals.

As we know, since mid-2015, more and more refugees have opted for the Aegean route through Turkey and the Greek islands to enter Europe because it is considered less risky and less costly than the Mediterranean route via Italy. And recently Italy closed its borders and ports. Hence, the focus of my field research has been Athens and the four islands close to mainland Turkey that have refugee camps, specifically Leros, Samos, Lesbos and Chios. In these locations, I conducted more than 50 semi-structured and ethnographic interviews and did participant observation with locals, NGO's, the municipality and the mayors. (This paper is part of my larger ethnographic project, which traces the refugee route from the islands, Athens and Berlin to the sanctuary cities of North America.)

I launched this project in the aftermath of the EU-Turkey agreement signed in March 2016, as it became a turning point and presents a puzzle for us. On the one hand, the agreement partially succeeded to slow down, if not stop entirely, the flow of refugees. On the other hand, however, the agreement led to ongoing clash, contestation, and disorder in refugee-hosting locations. For example, in the following days of the agreement, when the refugees protested their confinement in the island, and occupied and closed the port of Chios, the island did not even have a riot police. Similarly, when the agitated local right-wing masses attacked the city council and the municipality a few months later, the island fell into disarray. Despite the fact that only two members of the city council were pro-

refugee activists, the locals have accused the municipality for maintaining the hotspot. Evidence from the islands suggests that there seems to be a paradox between the achievement of border control and abrupt ongoing clash between refugees, the pro-refugee activists and the locals. Particularly in the islands, the agreement triggered conflict and violence and generated unsafe places for vulnerable refugees, while reinforcing distrust and fear of the Other among the locals.

In Leros, the smallest of these islands, where daily clash is less frequent than in Lesbos and Chios, multiple myths about refugees circulate on a daily basis. The locals, including even the Mayor and Vice mayor, have come to believe that there were only two Syrian families in the island and that the rest were mostly economic refugees from different parts of the world. Majority of the locals make jealous guesses about monthly allowance of refugees by inflating the \$ numbers. Others observed to me that some refugees were quite well-off, and questioned where the source of their wealth lay. There is ongoing talk about the diseases the refugees carry and so on. And of course, none of these myths are factual or based on any empirical evidence. Yet, when right-wing ultra-nationalist mobs mobilize locals to attack the camps or accuse the NGO staff, they use different combinations of these myths generously. Briefly, the agreement turned the majority of cooperative and helpful islanders into fearful hostile masses, who became increasingly territorial and anti-immigrant. I had first-hand experience of the negative attitudes from the islanders, when I dress down and walked on the streets, because I am from the region, and look like the refugees with similar skin complexion and an accent.

Most research in security studies hardly makes any differentiation between the concepts of security and safety. In general, there is an unquestioned assumption that increasing securitization by the state and more investment in militarization and arms keep people and places safe. Against this predominantly state-centered understanding of security, there is also critical trend calling for a more citizen-centered approach from within security studies. By bringing micro aspects of human agency into the macro-level homeland security debates, scholars have drawn some attention to “human security.” While appreciating these critical voices, I still see a big gap in the field. Even when human security is emphasized, there is not much effort to

explore safety from the viewpoint of individuals, particularly the people at risk.

This is partly a methodological issue. I insist that there is a need for anthropological methods to gain a deeper and socio-culturally sensitive understanding of safety of people – especially refugees and asylum seekers without rights and much voice. An in-depth hands-on field research of safety also provides a spatial perspective of (un)safe spaces. But the issue is actually deeper than the neglect of anthropological methods. The issue at hand is also explicitly political. Obviously, the paradox here is about who is being protected from whom? Is it about the protection of the homeland from the presumably dangerous Muslim immigrants, all whom are deportable from the US sometimes even sometimes after they are naturalized? Or is it about the protection of non-citizens at risk from the forces of security? Put differently, safety, security and resilience acquire entirely different meanings depending on whose protection is at stake and which kind of states, political institutions and policies are involved. And it is exactly this controversy which polarizes states and cities across the world.

My findings suggest that we have a major analytical problem in approaching to and dealing with the crisis. The bulk of research in security studies conflates people's safety with border security.

My research explores how cities, towns and places shape the perception and experience of fear and safety of vulnerable refugees and the locals. Against the backdrop of national and international policies of securitization, I am interested in how safety and risk are negotiated between the state, the city/municipality and the locals. The emphasis on the city or the place brings forth another paradox – a paradox of scale because the refugee issues are under the jurisdiction of the nation-state or the federal state supported by the EU and UNHCR. Importantly however, my research reveals that cities and other refugee-hosting localities handle the refugee crisis quite differently from each other. These locations differ with regard to their ability to provide protection and inclusion and the production of safe places. Concretely, my findings show a large disparity between Athens and the islands in providing sanctuary. In fact, the islands showcase the opposite situation to what I observe in Athens. So, if the nation-state and its policies

are not the only factors shaping the experience of safety, then what other factors and forces are at play?

As we all know, the largest portion of the current refugees are Muslim and/or from Muslim countries. The fear of Islam and the perceived threat of Muslims taking over Europe have triggered a lot of anxiety and fear in Europe and beyond. These reactions have also been fortified further by increasing popularity and power of right-wing parties, partisan media and the flood of fake news.

Against the background of right-wing conservatism and anti-immigrant ideologies on the rise, Athens stands out by generating a wide range of safe places, including but not limited to pro-refugee neighborhoods, diverse squares, inclusive centers and shelters organized by NGO's and activists. Most importantly, these welcoming practices are supported by the municipality and the Vice Mayor of Immigration of Athens, who is proactively engaged and cooperates with dynamic pro-refugee networks in the city and beyond.

When I asked about "safe places" for vulnerable refugees and non-citizens in Athens, several NGO staff and activists pointed to the ethnically concentrated immigrant neighborhoods. In line with many others, one NGO representative who shall remain anonymous explained to me that there is some misperception that Athens would be unsafe. This is what the media, the racist and the intolerant people would say. But Athens can be regarded as one of the safest cities. Lack of "safety" would not just be about physical violence or the threat of it, but it would have everything to do with exclusion. When someone takes his/her child to school and sees people demonstrating to deny education to him or her, he/she doesn't feel safe. So, a safe place would provide protection, accommodation and inclusion.

The vivid urban life in Athens in open squares, such as Victoria and Omonia square and Kypseli, widely mobilize to generate inclusive and safe places, places where refugees can take a break from their long dangerous journey with an uncertain end. Ironically, these are also the neighborhoods where Golden Dawn mobilizes anti-immigrant sentiments and politics.

Conclusion

To conclude, I will make three suggestions:

1) People feel less safe in cities and countries that are increasingly securitized. My data invites a rethinking of the concepts of safety and security. It might be a worthwhile exercise to think why and if we really need to separate the field called human security. Accordingly, my work aims at integrating these subfields analytically and methodologically. So far, this has been attempted mainly by a few feminist scholars of international security and peace.

2) My second point is about the limitation of the predominant focus on integration as a solution to everything. I argue that we must break the habit of reducing every issue related to refugees, even safety issues, to the framework of integration. Even integrated immigrants may not and do not always live or feel safe. Violence, abuse and humiliation is directed to various vulnerable groups regardless of how integrated they are in societies. Vice versa, the major problem for refugees is not about cultural differences and their assumed failure of adaptation. The locals and localities are far from being perfect welcoming hosts. Hence, my data points to the need to flip the framework by shifting from integration to protection and accommodation, which moves a considerable portion of the responsibility from the refugees to the host country and host population.

3) The hotspots are extremely unsafe in every way for refugees, but the way they are handled also creates serious safety issues for the islanders, the local governments and the INGOs. Although the current state of refugee camps in Greek islands is documented and displayed as clear violation of human rights, there has not been enough effort to put an end to the crisis situation by the UN, UNHCR or the EU states. Delivering the problem to Muslim majority states in the Middle East, such as Turkey and Lebanon, which do not have the capacities and infrastructure of European countries is not a feasible solution to cope with the refugee crisis in the long-run.

To conclude, “politization of fear is a conservative choice.” It is not the Zeitgeist of our age. As different outcomes in Athens and the islands suggest, certain cities/places are capable of fueling and even capitalizing fear,

while others generate safe havens and sanctuaries. The latter provides the master key to find the way out of the refugee crisis.

Transnational Common Challenges and Solutions: Migration Response

Mladen Kakuća

IOM was invited and participated in the 37th Workshop of the PFP Consortium Study Group, “Regional Stability in South East Europe” by contributing to the discussion on “Transitional Common Challenges and Solutions”. The topics presented by IOM included: a general overview of IOM’s mandate and work; activities implemented by IOM in Greece in response to the migration crisis (since 2015 onwards); current trends and experiences gathered from various IOM sources along the Eastern Mediterranean and Western Balkans routes. Valuable feedback and views were exchanged among the participants, including the general social perceptions towards migrants in Europe, the legislative framework in Greece (i.e. asylum procedures), the humanitarian response of Greek authorities in coordination with relevant partners (UN agencies, International Organisations, Non-governmental Organisations), the identified bottle necks (i.e. limited relocation options and quotas, delayed asylum/family reunification procedures) and potential solutions. The present Note includes observations and proposed solutions based on the trends and best practices that IOM has identified as part of its response along the various migration routes.

Current Situation

Migration Trends

Greece

Statistics demonstrate that inflows in Greece are not as intense as in the beginning of the crisis; nevertheless, they are far from being hindered. In fact, during the latest months, the number of new arrivals in the country is increasing, especially through the land borders. At the same time, new alternative routes are being opened, which results in raising expectations to migrants stranded in third countries and attracting new arrivals.

Considering the country's limited capacity, the Government is facing challenges in absorbing and accommodating the stable and even increasing flow of arrivals. To this end, national authorities are exploring alternatives in order to provide an immediate response and mobilise effectively the available resources; yet, more efforts are required to provide an effective response.

Balkans Region

Two routes are mainly used in the Balkans region: Greece – Former Yugoslav Republic of Macedonia, in which flows remain stable or even slightly decreased; Albania – Montenegro – Bosnia and Herzegovina, which is showing significantly increasing trends.

Accordingly, and based on figures by Europol, at the busiest points in Bosnia and Herzegovina, Croatia and FYROM, almost 1,600 irregular crossings have been reported over the last three weeks of August 2018 (approximately 500 per week). The highest number of crossings is recorded at the Croatian-Slovenian border (1,118 cases only in August). In terms of nationalities, the majority are Iranians (800), followed by Pakistanis (400), Afghans (130) and Syrians (55). In this context, considering the increased number of border crossings and smuggling incidents, the countries along the route have decided to increase their capacity in terms of border management and control by deploying additional border guards, such as in Bosnia with 100 additional guards deployed and another 100 being trained.

Asylum

According to the European Asylum Support Office (EASO), 11,395 asylum applications were filed at the end of August 2018 (weeks 34-35) in the **EU**, the majority by Syrian, Afghan and Iraqi nationals. In addition, 68 experts have been deployed in Italy while in Greece 51 experts have been deployed for the implementation of the EU-Turkey Statement, 46 to support national asylum procedures and 20 for reception support.

In **Greece**, the processing of asylum applications is facing major delays; for instance, cases of asylum seekers are reported who have been scheduled for their first interview with the Greek Asylum Service in 2021. Due to the

limited capacity to respond to the extremely high number of asylum claims, these delays result in a huge backlog of asylum applications and accordingly create issues and challenges in providing basic services in an adequate and timely manner (i.e. shelter, food, hygiene, access to medical care and medical facilities).

Overview

A general overview of the region is further elaborated and presented below:

- Albania: nothing significant to report, all data reported by border authorities;
- Austria: 462 legal asylum applications, with 115 newly identified migrants and registered in the Eurodac database;
- Bosnia and Herzegovina: 1,473 illegal crossings reported in August (weeks 34-35), out of which 1,390 intend to apply for asylum and 299 have already applied;
- Croatia: 18 cases of irregular border crossings with a total 197 persons. Compared to beginning of the year, there is a 20 % increase in inflows, the border with Serbia being identified as the main entry point;
- Former Yugoslav Republic of Macedonia: 1,046 attempts of irregular border crossings in in August (weeks 34-35);
- Germany: increased influx of irregular crossings, however, no figures can be yet presented as there are no border controls in Germany; approx. 460 asylum applications were logged per day;
- Romania: decrease of inflows with only 16 migrants detected in August (week 35);

- Serbia: 3,500 migrants are currently in permanent and/or temporary centers in country, the majority being Afghans; in terms of crossings, 200 persons entered from FYROM and 22 from Bulgaria in August (weeks 34-35), while 600 were identified as present in the country that claimed they entered from the same destinations;
- Slovenia: 185 crossings in week 34 and 135 in week 35; accordingly, 97 and 88 asylum applications were filed.

Based on IOM data, 346 Assisted Voluntary returns have taken place, in particular: 181 from Serbia, 135 from Bosnia and Herzegovina, 21 from Montenegro, 8 from FYROM and 1 from Albania (mainly Iranian citizens).

Proposed Measures

To further provide assistance to authorities and relevant stakeholders, IOM acts in accordance with the Comprehensive Plan to Counter Migrant Smuggling and Save Lives, based on the following axes and courses of action:

1. Create alternative routes for migration
 - Increase legal migration options: labour migration, family reunification, resettlement, larger resettlement quotas, humanitarian admission schemes, medical evacuations, academic scholarships;
 - Positive dialogue on migration: counter xenophobia and discrimination.
2. Reduce the socio-economic factors that ‘push’ migrants to turn to smuggling networks and follow irregular routes
 - Identify factors: poverty, instability, violation of rights, lack of access to education, health or other basic services etc.;

- Encourage states to take corrective measures: promoting stability and resilience, facilitating access to services, creating employment and livelihoods opportunities, reducing the drivers of forced migration.
3. Enforce law and policy on migrant smuggling to make migration safe, orderly and dignified
- Capacity building of all actors in protection issues (i.e. early identification of victims of violence/exploitation);
 - Coordinated action and cooperation among law enforcement, border management and security agencies along the migration route (countries of origin, transit and destination);
 - Cross-cutting issues: uphold existing international laws; develop reliable evidence base for counter-smuggling policy; develop strong effective partnerships.

Based on its mandate and expertise, IOM will continue providing assistance to Governments along with relevant stakeholders (i.e. UN agencies, International Organization, Non-governmental actors) based on the following principles and objectives:

- Countries need to protect and assist migrants according to the relevant legal provisions (international conventions, EU treaties, national legislation etc.);
- When providing assistance and protection to smuggled migrants, it is important to consider them as a vulnerable group and take into account their special needs;
- Respecting the principle of non-refoulement is paramount in the protection of migrants and a cornerstone of international law;

- Measures must be taken to protect victims from retaliation/intimidation by smugglers;
- Alternative solutions need to be developed to open legal migration routes for migrants currently stranded or with no other safe mobility solutions, including resettlement to EU from third countries, relocation within the EU Member States, family reunification.

PART III:

**DEMOGRAPHIC CHALLENGES:
SOCIOECONOMIC AND POLITICAL
ASPECTS**

Socioeconomic Challenges in the Western Balkans

Mario Holzner

Short Term Outlook and Social Conditions

The global conditions for economic growth are good. As a matter of fact, it is the best coordinated upswing for almost a decade. Consequently, in 2017 robust GDP growth ranged from 3.1% in Bosnia and Herzegovina to 4.7% in Montenegro. The notable exceptions were Serbia with only 1.9% due to agriculture suffering from bad weather and Macedonia with an outright stagnation due to the political crisis. For 2018 and beyond we expect (somewhat decelerating) growth rates of between 3% to 4% throughout the region (wiiw, 2018). Domestic demand is a major growth driver.

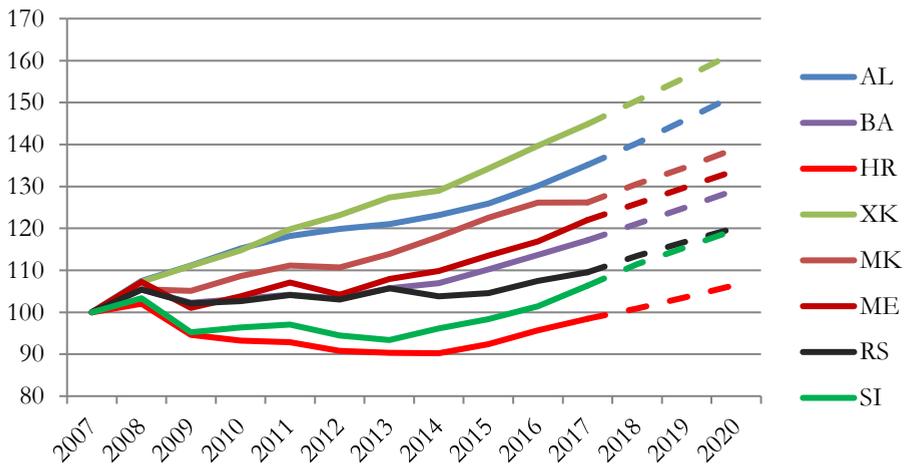


Figure 1: Real GDP growth index, 2007 = 100, 2007-2017, forecasts 2018-2020 (Source: wiiw Annual Database).

Overall, growth performance in the region over the longer run was fairly healthy – especially in Kosovo, Albania and Macedonia (Figure 1). None of the Western Balkan economies has fallen below 2007 pre-crisis GDP levels in the years after outbreak of the global financial crisis. On the contrary, they are now about 10% (Serbia) to 50% (Kosovo) above the 2007 level of

economic activity. By contrast, the two Northern peer countries from former Yugoslavia – Slovenia and Croatia – managed only most recently to reach 2007 GDP levels. For once, lagging financialisation and little integration in global value chains proved to be an advantage.

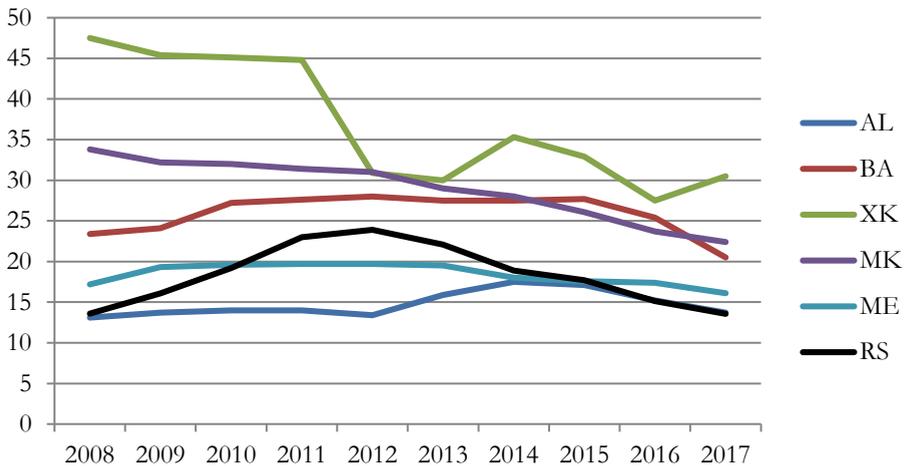


Figure 2: Unemployment rate, LFS, in %, period average, 2008-2017 (Source: wiiw Annual Database).

Moreover, economic growth has brought down unemployment rates (Figure 2) and improved the social conditions of the population. Still, the unemployment rates are in the double-digit range, indicating macroeconomic imbalances and widespread poverty. Thus, income inequality is high (Figure 3), with Gini coefficients of disposable household income above a European average of about 30 and above the levels found in peer countries. Comparing disposable income Gini coefficients with market income ones show that the redistribution mechanisms of taxes and transfers are particularly underdeveloped in Albania and Bosnia and Herzegovina, where the difference between the two inequality indicators is small.

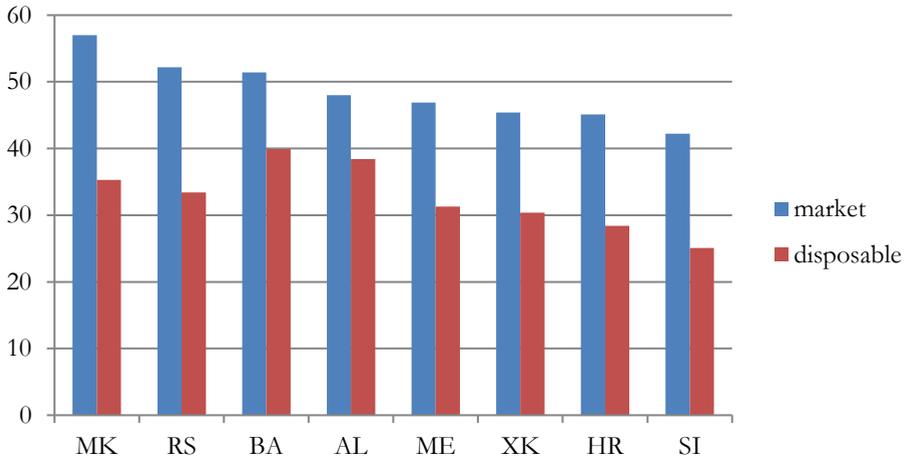


Figure 3: Estimate of Gini index of inequality in equivalised household income, 2015 (Note: Albania 2012, Montenegro 2014. Source: SWIID 7.0).



Figure 4: GDP per capita in EUR at Purchasing Power Standards, 2017 (Source: wiiw Annual Database).

Overall, Western Balkan income levels are still far from those of their peers, let alone wealthy countries from Western Europe (Figure 4). To put it differently, the Western Balkan economies have still a big potential for catch-up growth. This is not to say that there has been no convergence (Figure 5). As a matter of fact, convergence throughout Central, Eastern

and Southeastern Europe (CESEE) was a success over the last decade – but also a disappointment. While the more advanced countries from the wider region, such as for instance the Czech Republic and Slovakia, have reached GDP per capita levels of around two thirds of Austrian income, their wage level has been lagging behind, indicating large profit expatriations. In the Western Balkans it is a bit different. There the GDP per capita levels have only reached about a quarter of the Austrian level but wages are relatively higher. This indicates inter alia the lack of competitiveness of the region and related low productivity as well as dependence on foreign debt and remittances from workers abroad.

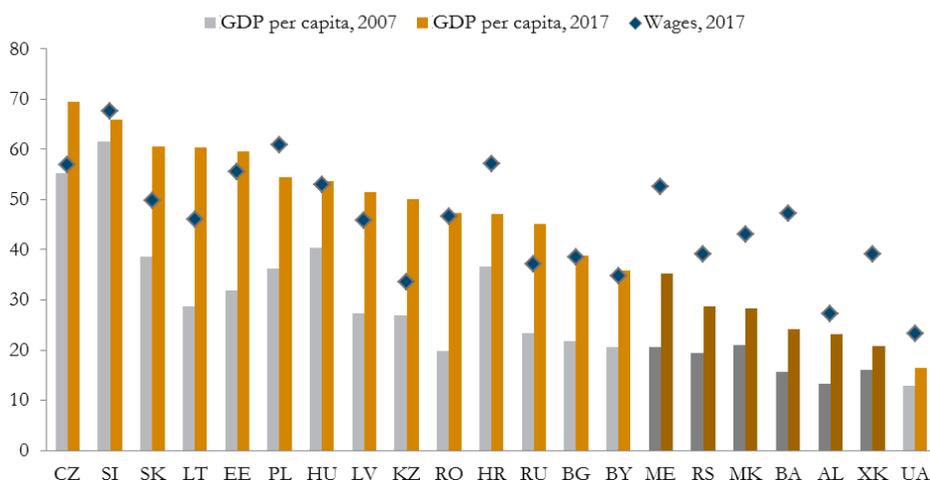


Figure 5: Indicators of convergence, Austria = 100 (Note: CESEE wages based on register-based surveys, Austria refers to national account data. Source: wiiw Annual Database incorporating national and Eurostat statistics, own calculation).

Short term economic growth in the wider region faces considerable risks. Some of them are global, others regional in nature. These include inter alia an end of the ultra-loose monetary policy of the US Federal Reserve, the potential bursting of financial market bubbles and a trade war on a global level. In the region we see risks stemming from pockets of high corporate and/or sovereign leverage, threats to the rule of law as well as political crises such as the status issue of Kosovo or the constitutional conflicts in Bosnia and Herzegovina.

Medium- to Longer-Term Challenge: Entering the Semi-Periphery Trap?

Following Stöllinger (2018), the countries of CESEE face a semi-periphery trap (Figure 6). Compared to the technological leader in European industrial value chains – Germany – the Central and Eastern European member states of the EU (EU-CEE) have managed to catch up a little bit in per capita income terms over the last two decades but not in a decisive way. Most of them hover around half of the German income level. The economies of the Western Balkans have at least caught up to the semi-periphery group from Central and Eastern Europe. Before they were clearly part of the periphery group with much less than a quarter of German income levels.

Inclusion into the (automotive) value added chains via Foreign Direct Investment (FDI) is crucial joining the semi-periphery. More recently (German) FDI in manufacturing is also pouring into the Western Balkans. Similarly to their Northern peers in the wider region, the functional specialisation though is thus predominantly in production. The ‘smile curve’ concept (Figure 7) shows that production proper (as compared to pre- and post-production activities) typically creates only little value added. In a world split into factory economies and headquarter economies, the Western Balkans (and the EU-CEE) are trapped in the former type with little hope for a change any time soon, especially under the strict EU rules that allow late-comers in industrial development only very limited options to create national industrial champions. On a global level we find the relative functional specialisation of FDI in Bosnia and Herzegovina, Serbia and Macedonia in production activities to be much higher than expected, given their GDP per capita level (Figure 8). It is thus high time to adjust the functional specialisation and enter into higher value-added parts of the value chain.

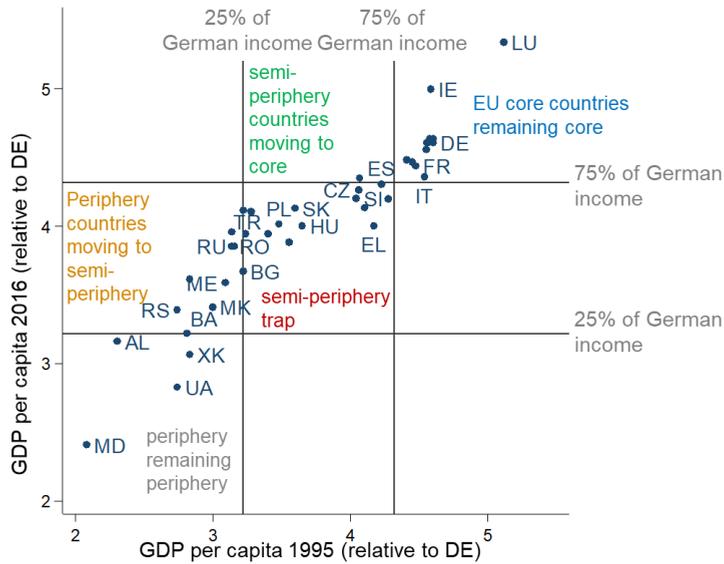


Figure 6: GDP per capita relative to the German level in 1995 vs. 2016 (Note: Logarithmic scales. Initial GDP per capita is 2000 for BA, XK, ME; 1998 for IE. Source: wiiw Database, wiiw calculations).

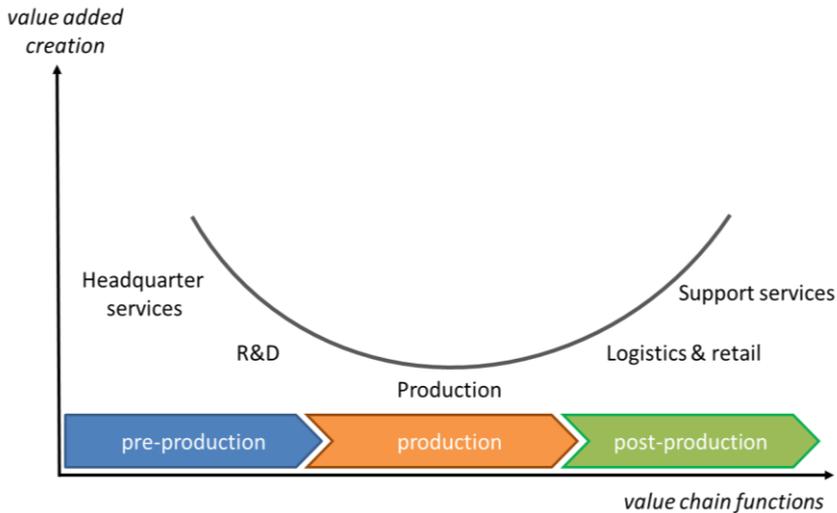


Figure 7: The ‘smile curve’ – production activities have lower potential for value creation (Source: wiiw representation).

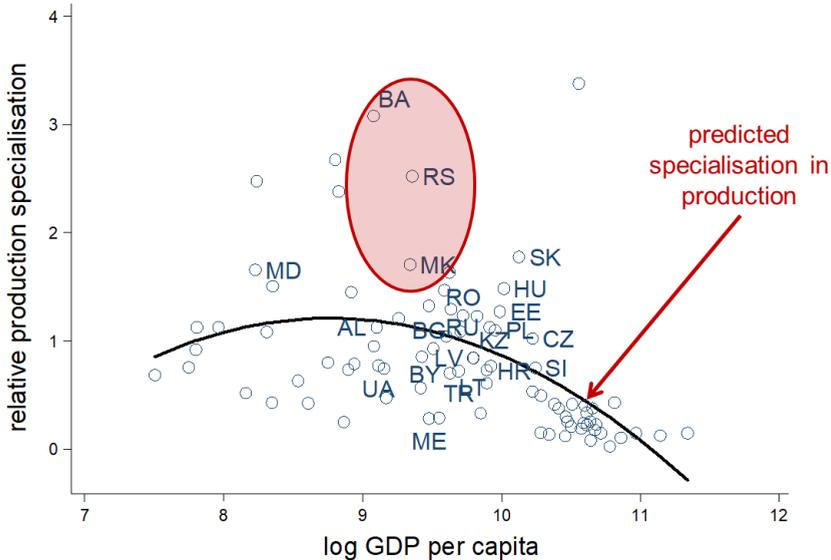


Figure 8: Income level and relative functional specialisation in production activities (Note: GDP per capita in PPP as of 2010; A value of 1 in the relative production specialisation indicates the global average in (mostly greenfield) FDI activities for the average over 2003-2015. Source: PWT version 8.0, fDi markets database, wiiw).

Medium- to Longer-Term Challenge: Demographic Decline, Digitalisation and Robotisation

Another important challenge for the Western Balkans is the demographic decline which is expected to be particularly severe in the more peripheral parts of Europe that has experienced mass emigration for many decades (Stehrer, 2018). Especially young and educated people leave the Balkan Peninsula. This implies a massive shrinkage of the working age population in a few decades. However, this process has already started and the reductions in the unemployment rates were not only due to recently higher economic growth rates but also due to a loss of working age population.

According to the United Nations population forecasts the region is expected to lose several millions of inhabitants of the age group 15-64 (Figure 9) by the end of the century. In relative terms these countries will be losing about half of their working age population by 2100 (Figure 10). Albania might even lose up to 60% of the labour force within just about three gen-

erations from now. This will certainly have strong political repercussions in the Western Balkan societies, of a yet unknown quality and dimension. A downsizing of the work force could potentially be also a barrier for future FDI inflows as investors might not find enough qualified labour and might find markets that are even smaller than the current small size less attractive to enter. However, potentially there could also be some positive effects in economic terms. A shrinking working-age population might cause constant upward pressure on wages which in turn creates more demand and fuels a virtuous circle of economic development, the beginning of which we might observe right now. Moreover, higher relative costs of labour might trigger more investment in capital goods which aims at replacing costly labour. This in turn would increase productivity, which is much needed in the Western Balkans. This would additionally support the virtuous circle of economic development and increase the likelihood of economic convergence to Western European levels.

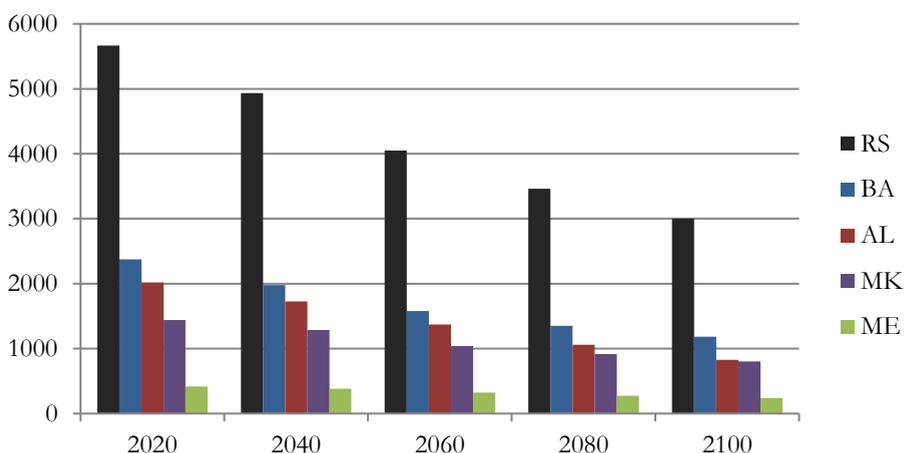


Figure 9: Demographic trends in working-age population, in 1,000 persons (Source: United Nations, Department of Economic and Social Affairs, Population Division, 2017).

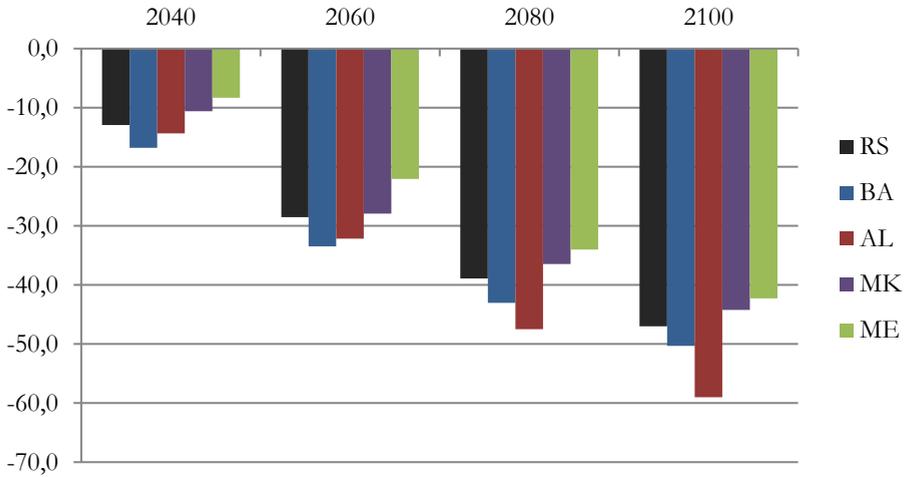


Figure 10: Demographic trends in working-age population, % change relative to 2020 (Source: United Nations, Department of Economic and Social Affairs, Population Division, 2017).

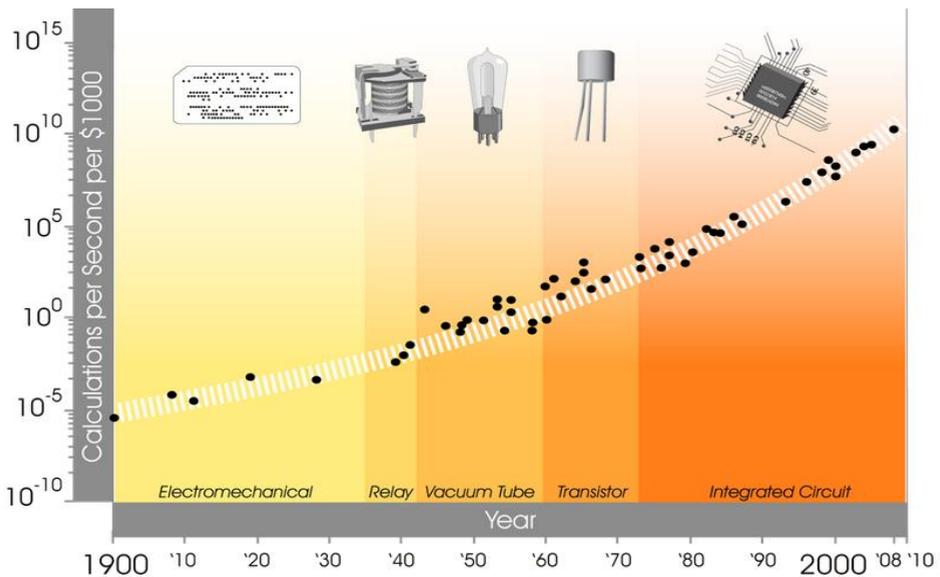


Figure 11: Exponential growth of computing, calculations per second per 1000 USD, logarithmic plot, 1990-2010 (Source: kurzweilai.net).

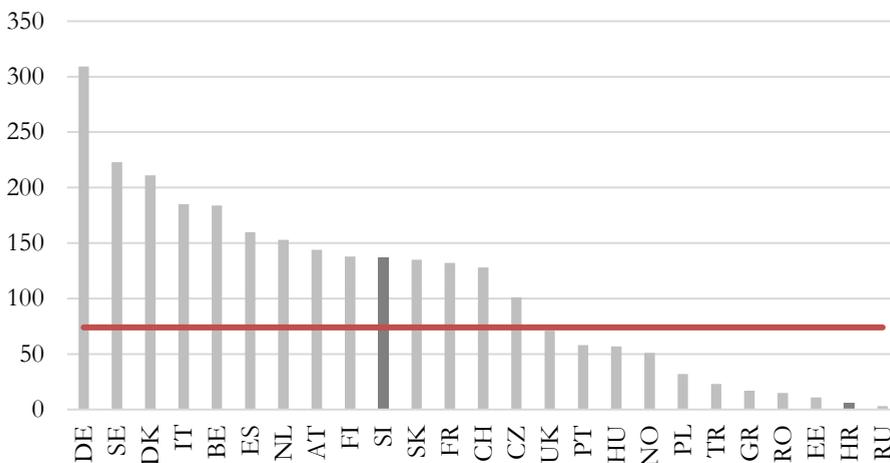


Figure 12: Number of installed industrial robots per 10,000 employees in the European manufacturing industry, 2016 (Note: Horizontal line relates to the World average of 74. Source: IFR, World Robotics, 2017).

At the same time, we are in the midst of the 3rd and the 4th Industrial Revolution – of digitalisation and robotisation. It is very likely that these will not be as gradual as the first two industrial revolutions which evolved slowly since the mid-18th century. Since the 1970s computing times did not grow in a linear way anymore but instead exponentially with the introduction of the integrated circuit (Figure 11). Also, the process of robotisation is already on its way. In Europe a core group around Germany is employing robots in the manufacturing sector in numbers that are far above the global average (Figure 12). Only few countries from CESEE are among these frontrunners such as Slovenia, Slovakia and the Czech Republic. In this respect the Western Balkans are nowhere on the map yet. Being part of that process might have important implications for future development. It might occur that future production will be even more geographically concentrated than today. In that case the Western Balkans might remain a primary source of migration and low skilled services jobs.

Conclusions and Policy Recommendations

To sum up, the Western Balkan economies have experienced fairly healthy economic growth since the outbreak of the global financial crisis. They were able to exploit the ‘advantages of backwardness’ (Gerschenkron, 1962). Current forecasts expect robust GDP growth rates of 3% to 4% for the next years. However, the economic cycle has reached its peak and global and regional risks are looming on the horizon.

In addition, a number of medium- to long-term challenges are materialising. First, the economies of the region might enter a semi-periphery trap as they are more and more becoming part of the German (automotive) value chains – which is certainly better than being left out of industrial production processes altogether. However, factory economies typically are left with the least value-added creating parts of the production process which might pose a long run barrier for a catching up to Western European income levels.

Second, major medium- to longer-term challenges stem from the ongoing processes of the demographic decline, digitalisation and robotisation, the full effects of which are still difficult to evaluate today. Overall, we believe that the positive effects will prevail and that the massive shrinkage of the working age population in the Western Balkans will support a virtuous circle of economic development with higher wages causing more domestic demand and more investment in labour saving technologies and hence more productivity and eventually allowing for a catching up to Western European income levels. However, the 3rd and 4th industrial revolutions of digitalisation and robotisation are proceeding less gradually than the earlier two and it might be important to be early on part of these processes in order not to be left out completely. At the moment the Western Balkan economies do not employ any industrial robots.

In order to increase foreign as well as domestic investment in modern, higher value-added productive capacities the cost of investing needs to be reduced. A joint investment support agency should be established as a Southeast European Industrialisation Fund, which should aim at financially facilitating more foreign direct investment in the region’s manufacturing industries. In the wake of the negotiations for the new Multiannual Finan-

cial Framework of the EU some of the pre-accession resources should be reallocated in this direction.

Increasing domestic investment levels would require a further marked reduction in interest rates for corporate loans. Joining the Euro area (even if only as second-class members e.g. without voting rights) before EU accession would be a powerful tool to bring down interest rates. Moreover, it would formalise the de facto situation of massive euroisation or unilateral Euro adoption in the region.

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Demographic Processes in the Western Balkans: A Long Term Perspective

Vladimir Nikitović

Introduction

After Croatia joined the EU in 2013, the Western Balkans are usually referred to the region that comprises populations of Serbia excluding Kosovo*, Bosnia & Herzegovina, Montenegro, Kosovo*, FRY Macedonia (since February 2019 North Macedonia) and Albania. It is generally recognised as the region with divergent demographic trends primarily caused by the differential natural growth of the population. At the beginning of twenty-first century, it is evident that the demographic trends in the region converge, at least when it comes to the natural components of demographic change. This process is generally understood in the context of the theory of demographic transition. On the other side, international migration in the region has undergone more complex changes since 1990. After the intensive displacements of autochthonous population within and out of the region, induced by the 1990s wars, and the fall of Iron curtain in case of Albania, the whole region is recognised as an emigrational at the beginning of this century.

Former high fertility sub-region, including Kosovo as a European outlier, no longer exists. The northern part of the Western Balkans was among the first in Europe to experience population decline mainly due to the long period of below-replacement fertility, supported by emigration that recently has spread to most of the region. Based on the literature review,¹ a rough estimate on the number of people who left the region could point to about

* The disputed territory of Kosovo, which unilaterally proclaimed independence of Serbia in 2008, is currently recognised as an independent state by 108 of 193 UN member states and 23 out of 28 European Union member states.

¹ Josipović, Damir: The Post-Yugoslav Space on a Demographic Crossway: 25 Years after the Collapse of Yugoslavia. In: *Stanovništvo*, 1/2016, pp. 15-40. Demalija, Rifat: Migration and Social Transformation. the Case of Albania and Greece. In: *European Journal of Multidisciplinary Studies*, 1/2016, pp. 115-123.

5 million inhabitants since 1990. Furthermore, this region lacks an attraction for long-term immigration from third countries.

On the other hand, the most recent sudden influx of asylum seekers from West Asia and North Africa, whose final asylum destination represent primarily the ‘old’ EU countries, has its transition route through the region. This, so called, Western Balkan route came as a great surprise for most of public and officials given that the immigration issue, at best, has not been recognised in the public discourse and relevant legislation in the region. Consequently, it quite directly opened an issue of future migration in the region in terms of both the below-replacement fertility of autochthonous population and the demographic surpluses in politically instable origin societies of immigrants.

Given much higher uncertainty of future migration patterns in comparison to fertility and mortality trends, it might seem reasonable to address a long-term perspective of migration impact on demographic change. The point of such an exercise could be similar to the purpose of hypothetical fertility (instant-replacement) and mortality (constant) scenarios – by examining the current limits of demographic development, we try to achieve two goals at the same time: to assess realistic future outcomes and to warn decision makers on future implications of demographic and migration trends.

As it seems that the populations of the Western Balkans could experience common migration trends in the future, the central issues of the paper are as follows: Is the transition to the net immigration stage across the whole region possible by the mid-century and what might be the effects of expected international migration patterns on future demographic change in the region?

The Conceptual and Methodological Framework

In accordance with the goals of the paper, it was of particular importance to choose the methodological approach which would enable long-term assumptions on future population dynamics in the Western Balkans region in the context of relevant theoretical and empirical background. The projection model that is used by the Population Division of the UN (hereafter the UN model) for its latest release of the *World Population Prospects* (WPP

2017) meets the criteria as it is based on the recent theoretical achievements in terms of the demographic transition, while draws its strength from the data on fertility and mortality for all countries of the world.² The model has also the technical benefits – it is well documented, fully transparent, implemented in the open-source R software, thus, allowing for easy adjustments and modifications of input parameters. On the other hand, most commonly used models of future population dynamics by national statistical offices or institutes, including those by Eurostat, are not adequately documented, relying in most aspects of a projection procedure only on subjective opinion of authors, with little or no explanation about the reasoning behind chosen assumptions.

Demographic and migration statistics in the Western Balkans suffered a lot in terms of reliability after 1990. Therefore, the WPP 2017 dataset is used as the best available source of demographic inputs in the paper. However, several preconditions in terms of input parameters had to be fulfilled before the model could be employed for producing simulations of future population in the region. The initial population had to be adjusted for known weaknesses of the WPP dataset as regards Bosnia & Herzegovina and Serbia.³ In case of the former, the 2013 census results were not available to the UN staff when they prepared the estimate on initial population structure but those of the quite distant 1991 census.⁴ As for the latter, apart from the fact that the WPP dataset does not recognise the population of Kosovo*, adjustments of the WPP dataset had to be made for population who boycotted both censuses in 2011 – Albanians in Central Serbia and Serbs in Northern Kosovo, and for significant overestimation of the total population by the census conducted in Serbia excluding Kosovo.

² United Nations: World Population Prospects. 2017 Revision. Methodology of the United Nations Population Estimates and Projections. United Nations, Department of Economic and Social Affairs, Population Division. New York 2017.

³ Reliability of the UN population estimation for Macedonia is also disputable as it is based on distant population census (2002). As we do not have enough grounds for better estimation, we kept the initial population from the UN dataset.

⁴ While calculating initial population, we took into account a dispute between the two constitutional entities (Republika Srpska and Federation of Bosnia & Herzegovina) on the final results of the 2013 census relying on the recent literature overview on the topic.

The Crucial Hypotheses for the Long-term Population Dynamics

From a long-term perspective, changes in fertility behaviour are decisive for the size and age structure of a given population in the absence of sudden catastrophic events. The UN model, in accordance with the new evidences of recovery of post-transitional fertility, predicts a convergence of total fertility rates in the region towards the level of 1.8 by the end of the century. This implies that the total fertility rate (TFR) across the region will only experience a mild increase by 2055, ranging between 1.55 (Bosnia & Herzegovina) and 1.79 (Albania). For the sake of an insight in “theoretical” limits of future demographic change, we, also, calculated the UN traditional high and low variants, which differ from the medium variant (forecast) in total fertility rate by ± 0.5 child per woman, respectively. For example, the implementation of the UN model in the case of Kosovo suggests that there are even 10% chances that TFR in this population could fall by 0.5 (low variant) until 2100. It means reaching the “lowest-low” fertility that the post-communist CEE countries experienced in the beginning of the century. However, the official TFR projection for Kosovo is more pessimistic than the UN model. It predicts the range between the low and high variant, aimed to cover possible paths of the future TFR, of 1.1-1.9 in 2061,⁵ while the 80% prediction interval based on the UN model points to 1.22-2.05 for the same year.

In the UN model employed for *World Population Prospects* (WPP 2017), current levels of net migration across countries of the world were generally kept constant until the mid-century, except for recent large fluctuations. However, despite the practical considerations that guided the authors of the WPP, the general assumption on constant net migration by 2050 is disputable from the viewpoint of smaller world areas, such as the Western Balkans region, or individual countries. For that reason, we aimed to rely on the theoretical framework which could provide more stable grounds for assumptions on future net migration in the region than the constant hypothesis.

⁵ Kosovo Agency of Statistics: Kosovo Population Projection 2011-2061 (December 2013). <http://ask.rks-gov.net/ENG/publikimet/doc_download/1126-kosovo-population-projection-2011-2061>, accessed on 20.08.2015, p. 27-28.

What were the guidelines for making assumptions on net migration in the paper? Despite different views regarding the role and significance of the drivers of international migration, there is no doubt that demographic and economic differentials induce the general shape and intensity of migration flows. It seems that the current strategic goals of all governments in the region are consistent when it comes to the EU accession. As one of the objectives of the paper refers to the most probable demographic future from the viewpoint of migration impact, we adopted the official standpoints on the EU future as the pivotal for the long-term assumption on general migration pattern in the region. In spite of the recent slowdown (“fatigue”) of the integration process in the Western Balkans, enlargement of the EU towards the area, that was set as a priority of EU expansion at the 2003 European Council summit in Thessaloniki,⁶ still represents the official EU strategy. Even if the reasons for the previous enlargements towards south and east of the continent are considered more political than economic, in comparison to the initial association of the countries from Western Europe,⁷ certain economic conditions have to be fulfilled if a country aims to join the EU. Thus, joining the EU implies that a member country, apart from required stability of institutions, achieved the existence of a functioning market economy. In practice, realisation of these factors in a member country should provide the living standard and quality of life of its citizens that would reduce outflows and increase inflows of migrants in the country on a long run.

Starting from the general principles of labour migration theories such as “push and pull” models, we based our reasoning behind the migration assumptions more specifically on the recently developed “model of the migration cycle”. It assumes that a country adapts to a new demographic and economic conditions by developing a mechanism to handle new or evolving migratory circumstances, which is referred to as a migration cycle. The model is based on evidence from the ‘old’ immigration countries in Europe, which experienced the transition from an emigration to an immigra-

⁶ European Commission: EU-Western Balkans Summit, Thessaloniki (21 June 2003). <http://europa.eu/rapid/press-release_PRES-03-163_en.htm>, accessed on 30.09.2016.

⁷ Bache, Ian/George, Stephen/Bulmer Simon: Politics in the European Union. New York 2011.

tion country in conditions of the below-replacement fertility. This heuristic concept seems to be very convenient to explain possible transformation of migration pattern in the region. Furthermore, recent empirical evidence suggests that the model is not only applicable to the Southern European countries, which are becoming typical immigration ones, but that the Eastern European states are heading to the same direction.⁸ The Czech Republic is the best example, as it turned from a negative migration balance in the 1980s to a positive one in the 1990s and 2000s.

According to the migration cycle model, during the process of transition from an emigration to an immigration country, former emigration countries go through at least three different stages which constitute the migration cycle: an initial, pre-transition or preliminary stage (emigration is more important than immigration); an intermediate or transition stage (immigration typically outweighs emigration); and a net immigration or post-transformation stage (immigration is acknowledged as a necessary supplement). This very general process involves system stability, disturbances and, finally, the emergence of a new stability, whilst the duration and characteristics of the stages are country-specific.⁹

The migration cycle model, used as the theoretical background for the migration hypothesis in this paper, implies gradual long-term transition from net emigration to net immigration. During the intermediate or transition stage of the migration cycle, a former emigration country becomes, step by step, a new immigration country. According to this heuristic concept, the Western Balkans region could be considered as stuck in the initial, pre-transition stage, although some of its territories might be candidates for entering the intermediate stage sooner than others.

In this paper, we limited our perspective on future migration trends to the 40-year horizon (2015-2055), which we thought of the longest meaningful. Consequently, the stages of the migration transition are interpreted in relation to the symbolic turnaround of the transition process in the Western

⁸ Fassmann, Heinz/Reeger, Ursula: 'Old' immigration countries in Europe. The concept and empirical examples. In: Okólski, Marek (Ed.): *European Immigrations: Trends, structures and policy implications*, Amsterdam 2012, p. 88.

⁹ *Ibid.* p. 67-68.

Balkans, which is set to the middle of the horizon (2035) implying that the whole region will certainly join the EU by the time. The region out of Kosovo and Albania is supposed to exit the initial or pre-transition stage by 2035-2040, and to experience the intermediate or transition stage afterwards (Figure 1). Indeed, some parts of the region could even progress to the post-transformation stage by the end of the projection according to the model interpretation, but that is beyond the considerations in the paper. In any case, it is assumed that immigration typically outweighs emigration in the Western Balkans excluding Kosovo and Albania beyond 2035. The latter two populations are not supposed to undergo fundamental changes of the system needed for entering the intermediate transition stage during the projection period. Such an assumption is in accordance with recent official migration projections and studies on emigration from that sub-region.¹⁰ Thus, the slow reduction in net emigration seems to be the maximum achievement for population in Albania but particularly in Kosovo in the next four decades.

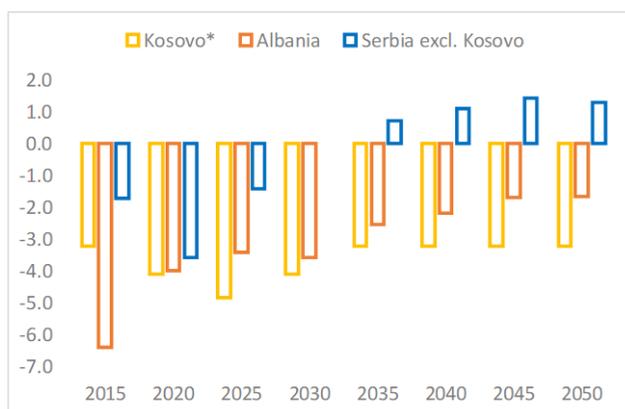


Figure 1: Assumed average net migration rate per thousand of the 2015 population: three distinctive populations, 2015-2055 (5-year periods)¹¹

¹⁰ Gollopeni, Besim: Kosovar emigration: Causes, Losses and Benefits. In: Sociologija i prostor, 3/2016, pp. 295-314; Demalija: Migration and Social Transformation, p. 122.

¹¹ Source: Author's calculations based on the existing national projections, UN WPP2017, and EU PopProj. 2015.

When transforming previously determined general patterns of net migration hypothesis to projection numbers, we started from the revised UN migration dataset. Technically, we modelled net migration in terms of rates rather than absolute numbers since future net migration does not relate to the future population and, thus, it may take on unrealistic values. A hypothesis about future average annual net migration rate is made for each five-year projection period.¹² There are two reference points in the projection horizon – zero net migration at some point in the period, and the target rate at the end of the projection (net migration per thousand of the 2015 initial population), while for Kosovo and Albania only the target rate is made. The rates are changing linearly between these reference points.

The benchmarks for the forecast of net migration rates were both the current population projections by Eurostat (EU PopProj. 2015) and national statistical agencies, and recent studies on impact of migration on demographic change. For Serbia excl. Kosovo*, the target rate for the mid-century is assumed to be similar to that predicted by EU PopProj 2015 for Croatia.¹³ Yet, unlike the Eurostat projections, we account for the strong post-accession emigration due to increased labour mobility associated with slow economic growth in new EU members by analogy to the evidence from the Eastern enlargement and based on the expectations from the future in the EU.¹⁴

Technically, the projection method is cohort-component, widely used among demographers, but the approach for obtaining medium or most probable variant, is based on probabilistic projections of future fertility and mortality. We followed the UN approach to use the median of probabilistic distribution of both future paths of total fertility rate and life expectancy at birth as the most probable variant of these components of demographic change. In line with the main goal of the paper, we will focus on the medi-

¹² The age and sex distribution of the future net migration were derived according to the UN model taking into account specific patterns for the region.

¹³ Eurostat: Population projections at national level (2015-2080) (January 2018). <http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=proj_15nanmig&lang=en>, accessed on 19.08.2018.

¹⁴ Rašević, Mirjana/Nikitović, Vladimir/Lukić-Bošnjak, Dragana: How to motivate policy makers to face demographic challenges? In: Zbornik Matice Srpske za društvene nauke, 3/2014, pp. 607-617.

um variant, i.e. the *Forecast* (we will use this term hereafter) and *Zero-migration* variant.

Thus, the results of the projection should be considered as the exercise which implemented the concept of migration transition (in the framework of the UN model) across the Western Balkans in order to assess the impact of such a migration future on population dynamics of the region. It should be noted that the turnaround from net emigration to net immigration is determined according to the current prospects of further EU enlargement to the Western Balkans. Projection simulations presented in this paper were carried out by the means of specific statistical packages within the open-source software R, developed by the team from the University of Washington.¹⁵ The packages contain procedures for the execution of the complete population projection according to the methods used for the WPP 2017.

Results of the Projection Simulations

According to the most likely path (median of distribution) of the UN based forecast simulation, the total population of the countries in the region of Western Balkans will drop from 17.79 to 14.68 million between 2015 and 2055, a decrease of -17.5 percent over the next forty years (Figure 2). The main driver of the decrease will be the negative natural change, which will be 3.5 times larger in absolute terms than the negative net migration. Significant structural changes should be expected, as the share of population aged 65 and above will increase by 84% (from 14.93% to 27.41%) and the old-age dependency ratio will double by 2055. It is particularly worrying to notice negligible uncertainty around the forecasts of structural indicators (Figure 2 – right). Moreover, currently young populations of the region are expected to experience much stronger effects of population ageing in the following decades than those already old populations (Figure 3).

¹⁵ Raftery, Adrian, E./Alkema, Leontine/Gerland, Patrick. Bayesian Population Projections for the United Nations. In: *Statistical Science*, 1/2014, pp. 58-68.

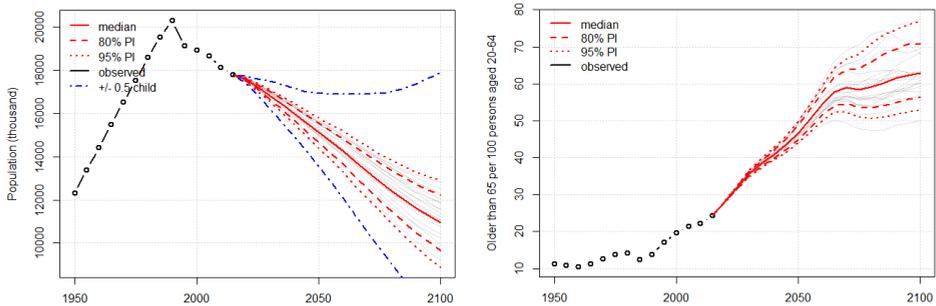


Figure 2: Western Balkans: Observed and forecasted population size (prediction intervals and the UN low-high variants) and old-age dependency ratio (prediction intervals) according to the UN model¹⁶

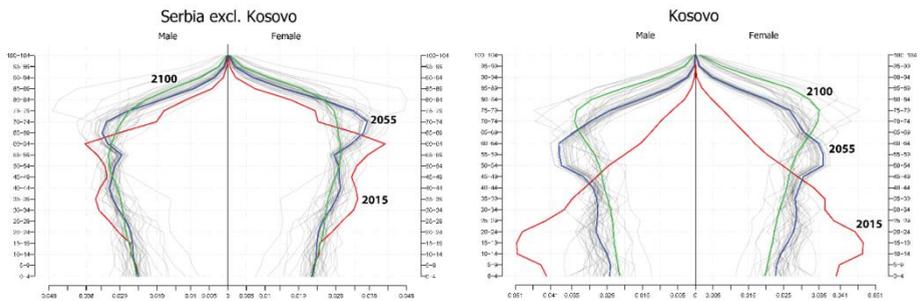


Figure 3: Population pyramid of Serbia excl. Kosovo* and Kosovo*, 2015, 2055, 2100 ¹⁶

If we take a look across the region, only Kosovo will not experience decline in total population (Table 1). However, the population decrease, as to the median of the prediction interval, will not be of high magnitude in Macedonia (-7.8%) and Montenegro (-8.2%). On the other hand, a strong decline is expected in Serbia excluding Kosovo* (-28.5%) and Bosnia & Herzegovina (-22.0%). Furthermore, Table 1 suggests that significant chances for maintaining actual population size by the mid-century refer only to Albania and Kosovo. Yet, the decline of these two populations is expected as of 2035 due to continuing lowering of TFR. For other populations, we can firmly say that the decline in their size cannot be stopped in the following

¹⁶ Source: Author's calculations based on the UN model.

decades. Most interestingly, the traditional high and low variant in regular UN world population prospects, representing bounds of ± 0.5 in relation to the TFR of the UN medium variant, are much wider than the 80% prediction interval of the forecast even in the case of Kosovo (Table 1). It indicates that the role of migration balance could be of greater importance for the region on a long run if compared to the previous periods. It is further discussed in the next sub-chapter as the projection results are decomposed with regards to the impact of net migration.

Country / Territory	Year	80% prediction interval			median TFR ± 0.5	
		lower limit	median	upper limit	-0.5	+0.5
Western Balkans	2015		17,789,140			
	2035	16,183,983	16,426,132	16,665,751	15,583,487	17,333,200
	2055	14,159,995	14,677,985	15,180,868	12,824,274	16,887,460
Albania	2015		2,896,679			
	2035	2,785,750	2,904,566	2,974,096	2,741,973	3,067,620
	2055	2,323,315	2,607,017	2,776,403	2,247,170	3,007,824
Serbia excl. Kosovo	2015		6,996,215			
	2035	5,640,035	5,774,646	5,900,948	5,496,328	6,059,359
	2055	4,728,966	5,000,839	5,247,676	4,377,188	5,708,931
Bosnia & Herzeg.	2015		3,336,159			
	2035	2,910,077	3,036,299	3,165,730	2,878,364	3,201,833
	2055	2,336,819	2,602,087	2,850,310	2,280,929	2,981,373
Montenegro	2015		625,781			
	2035	584,989	611,938	633,595	580,144	645,556
	2055	514,705	574,424	624,018	502,387	658,373
Kosovo*	2015		1,855,853			
	2035	1,980,099	2,067,377	2,155,741	1,942,859	2,195,571
	2055	1,829,773	2,028,908	2,244,909	1,753,505	2,353,193
Macedonia	2015		2,078,453			
	2035	2,000,313	2,054,909	2,107,681	1,945,838	2,166,371
	2055	1,778,462	1,917,250	2,034,864	1,674,383	2,191,691

Table 1: Total population forecast (median and 80% prediction interval) across the Western Balkans, 2015-2055, including traditional UN bounds of the forecast (± 0.5 child in relation to the median TFR)¹⁷

From the policy point of view, a population decrease, especially of the magnitude forecasted for Serbia excluding Kosovo and Bosnia & Herze-

¹⁷ Source: Author's calculations according to the UN model.

govina should not go unnoticed. Although the times when the significance of states was defined mainly by their population size may long since be gone, large population decreases could result in regional and sub-regional depopulation, both of which have been observed throughout the region for a fairly considerable length of time. A severe population decrease may lead to deficits in labour supply, which could be a strong limitation factor for already weak economies of the region. To date, except for periods of war, the populations in modern economies have been growing, so we have little empirical evidence of the economic consequences of population decline. Nevertheless, it would be prudent to curb large population decreases by means of policy measures.

Impact of Migration on Future Population Dynamics

Given the expected negative impact of below replacement fertility on population dynamics in the region over the following decades, the migration issue comes to the fore in terms of future demographic development. This section summarises the key results of forecasted migration impact on population change across the region from the aspect of the assumed stages of the migration transition during the projection. To assess this impact, apart from the *Forecast* simulation, we prepared the *Zero migration* simulation based on the assumptions that all the age-specific fertility and mortality rates are as per the *Forecast*, while the net migration is set to zero. The comparison between the two simulations as regards total population size across the Western Balkans is presented in Table 2.

This impact of migration may be decomposed into a direct and an indirect component. The former consists of the total net migration flows summed over the forecast period, while the latter refers to the births and deaths which the migration either prevented or caused to happen, depending on the overall direction of migration flows, also summed over the forecast period. It should be noted that, in terms of indirect migration impact, no reference is made to the hypothetical demographic events which might have happened to the emigrants had they not emigrated. Table 3 shows the calculation of all the migration-related components of population change.

Country/Territory	Initial population in 2015	Population in 2035		Population in 2055	
		<i>Zero migration</i>	<i>Forecast</i>	<i>Zero migration</i>	<i>Forecast</i>
Albania	2,896.7	3,148.2	2,890.0	3,136.9	2,669.2
Serbia excl. Kosovo	6,996.2	6,087.5	5,774.6	5,206.0	5,000.8
Bosnia & Herzegovina	3,336.2	3,084.8	3,036.3	2,642.6	2,602.1
Montenegro	625.8	618.1	611.9	573.1	574.4
Kosovo*	1,855.9	2,251.6	2,067.4	2,419.6	2,028.9
Macedonia	2,078.5	2,072.1	2,054.9	1,930.6	1,917.3
Western Balkans	17,789.4	17,266.8	16,426.1	15,906.8	14,678.0

Table 2: Total population (000) in *Zero migration* and *Forecast* simulation (median), 2015-2055 ¹⁸

Country/Territory	Migration impact 2015-2035 (000)				
	Total	Direct	Indirect (natural change)		
			Total	Births	Deaths
Albania	-258.2	-197.9	-60.3	-55.2	5.1
Serbia excl. Kosovo	-312.9	-235.8	-77.1	-70.0	7.1
Bosnia & Herzegovina	-48.5	-38.0	-10.5	-9.3	1.2
Montenegro	-6.1	-4.0	-2.1	-1.7	0.5
Kosovo*	-184.2	-148.3	-35.9	-32.2	3.7
Macedonia	-17.2	-13.0	-4.2	-4.0	0.3
Western Balkans	-826.1	-637.0	-189.1	-172.6	16.6

Country/Territory	Migration impact 2015-2035 (000)				
	Total	Direct	Indirect (natural change)		
			Total	Births	Deaths
Albania	-209.5	-98.2	-111.3	-104.2	7.1
Serbia excl. Kosovo	107.7	157.5	-49.8	-48.0	1.8
Bosnia & Herzegovina	7.9	20.0	-12.0	-10.4	1.6
Montenegro	7.4	13.0	-5.6	-1.6	4.0
Kosovo*	-206.5	-118.6	-87.8	-79.3	8.5
Macedonia	3.9	12.0	-8.1	-5.0	3.0
Western Balkans	-289.4	-14.4	-275.0	-248.8	26.2

Table 3: Impact of migration on population change – difference between *Forecast* and *Zero migration* simulation (median of the distribution), 2015-2035-2055 ¹⁹

¹⁸ Source: Author's calculations.

¹⁹ Ibid.

As to the assumptions of the forecast model, the turnaround is set to the year of 2035 when it is assumed that large post-accession emigration waves, induced by the EU enlargement towards Western Balkans, will disappear throughout the region (except for Kosovo and Albania).

According to the *Forecast*, the population in the Western Balkans region in 2035 will be smaller by 826.1 thousand than it would be if there was no migration. The direct impact of migration on population in the *forecast* equals –637 thousand. This is the net migration, aggregated over the period from 2015 to 2035. In the case of negative net migration, the indirect impact of migration consists of both the loss of births owing to the emigration of potential mothers and the loss of the emigrants' deaths. As Table 3 suggests, the effect of the latter is small. The number of births which female emigrants would have delivered had they not emigrated during the first 20-year period of the forecast accounts for 172.6 thousand. The number of deaths was reduced by 16.6 thousand by migration; these people might have died anyway, but their death occurred after they emigrated, so it cannot be counted in the figures for Western Balkans, as they did not number among the population of the region at the time of death. The overall indirect impact of migration is –189.1 thousand.

In relative terms, migration is directly or indirectly responsible for 61% of the overall population decline expected in the region over the first 20-year period of the *Forecast*. In the parts of the region characterised by positive population momentum, net emigration represents significant counterweight to the very high positive natural change, which would amount to 21% (397 thousand) and 9% (249 thousand) of the initial population (2015) of Kosovo and Albania, respectively, if there were no migration (Tables 2 and 3).

Almost a quarter of the migration induced (direct and indirect) decline of population in the Western Balkans region by 2035 is due to migration-related, potential, but not 'consumed', natural change. This share varies between 19% and 35% across the region indicating that for every 3-4 emigrants one more is added on account of prevented natural change (Table 3).

During the second 20-year period of the *Forecast*, the population decrease in the Western Balkans region will be smaller by 289.4 thousand than it would be if there was no migration. The migration induced loss is exclusively driven by the negative net migration in Kosovo and Albania after 2035. The overall indirect impact of migration in Kosovo and Albania is –36 and –60 thousand by 2035, and even –88 and –111 thousand between 2035 and 2055, respectively. It is worth noting that despite the reversal of the sign of net migration from negative to positive (direct migration impact) in the rest of the region after 2035, the indirect migration impact (natural change) will remain negative throughout the Western Balkans over the second 20-year period of the forecast. The rationale for this result stems from the age structure of the population, which is truncated in the most vital parts due to decades' long emigration. It clearly suggests that the assumed amount of positive net migration in the region out of Kosovo and Albania is not large enough to compensate for the negative change in population dynamics induced by previously long history of net emigration and below-replacement fertility.

We quantified the relative impact of migration on selected demographic indicators by calculating the percentage difference between the value of the indicator for 2035 in the *Forecast* and the *Zero migration* simulation, scaled to the latter (Figure 3). Apart from population size, migration has also a significant impact on the age structure of population. As assumed in the *Forecast*, it would decrease the share of youngest while increase the share of oldest population until 2035. It would also increase the old-age dependency ratio most noticeably in the two youngest but also pronouncedly emigration populations. If we exclude these two populations when comparing projected age structures for 2035 and 2055, the main difference refers to the share of young population – the migration impact is no longer negative throughout the region in 2055. Besides, the pressure of older population on the working-age contingent is reduced or negligibly changed (Figure 3). On the other hand, the absence of a turnaround in the net migration pattern in Kosovo and Albania after the first 20-year period highlights the long-term importance of migration particularly for the age structure of population.

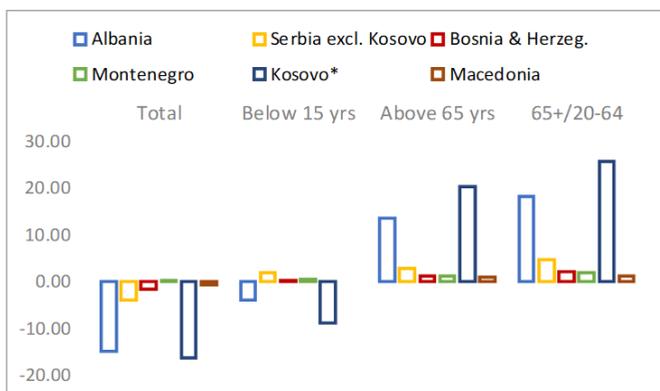
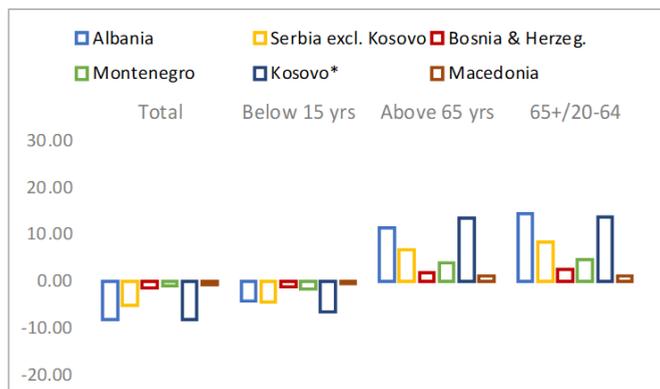


Figure 3: Migration induced changes for selected demographic indicators: percentage difference between *Forecast* and *Zero migration* simulation (median of the distribution), 2035 (above) and 2055 (below)²⁰

Conclusion

If we accept that Europe is in the process of transformation into an immigration continent, as well as the process generally spreads from the north-west to the southeast, similarly to the widely accepted demographic transition, it was assumed that the Western Balkans region will be soon heading to the same direction despite its currently unfavourable demographic and migration indicators. Given that the transition to net immigration directly

²⁰ Source: Author's calculations.

depends on economic progress, enlargement of the EU towards the Western Balkans is taken as a prerequisite for the model and empirical considerations in the paper. In accordance with the principles of the 'migration cycle' concept, which is used as the theoretical framework for the migration assumptions, and the experiences of new immigration areas in Europe, we assumed a longer period would be needed for societies in the region to adapt to the new reality. Not only the 'migration cycle' model, but also a longer historical perspective of empirical evidence from this region (not explicitly stated in the paper), indicate that the region will probably experience new immigration on the long run as it already was the case throughout the history.

Despite the decisive role of natural change, particularly that induced by fertility, on the decrease and ageing of population in the Western Balkans by the mid-century, the simulations of future population dynamics based on the theoretical considerations of the post-transitional mild increase of fertility and long-term transition to net immigration suggest that migration component could have important impact on demographic change, especially in terms of moderating the effects of below-replacement fertility on the age structure.

In addition, the notable indirect migration impact on the decline and ageing of population during the net emigration stages highlighted significance of side effects of typically young profile of emigrants (loss of future births). On the other hand, the sooner a country leaves the pre-transitional stage, the faster the country's age structure will face positive impact of migration. Thus, the transition to stable net immigration will increasingly gain in importance over the next decades given the negative population momentum in the region, which will affect even Kosovo – the youngest European population. Furthermore, achieving the long-term post-transformation stage of stable net immigration should be the ultimate policy goal for the whole region. However, the Western Balkans is currently being far from both the significant increase of fertility and the attractiveness to immigrants. Thus, the reduction of net emigration should be one of the primary tasks of population and economic policies in the next decades.

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PART IV:

ENERGY SECURITY

Energy Security Risks and Natural Gas Diversification in South East Europe

Martin Vladimirov

Introduction

The national and regional energy security of South Eastern European countries has become a hot topic of discussion in the EU in the past five years, focusing the attention of experts, policy makers, and the general public on ongoing and future energy projects but also on the features of energy governance in these countries. The interruption of gas supplies to Europe as a result of the Russian-Ukrainian pricing dispute in 2009, the continuing Russian-Ukrainian crisis after the annexation of Crimea, and the EU-Russia controversies regarding the Nord Stream and Turkish Stream pipeline have activated the EU in jumpstarting the development of key gas supply security projects in the region. As an area of immense geostrategic importance, the region has become vital for completing the integration of the European gas market, on the one hand, and for transiting the alternative gas supply coming from the energy-rich Caspian Sea and the Middle East. Meanwhile, Russia has stepped up efforts in promoting its own version of diversification, this time of transit routes circumventing Ukraine and capturing an even larger market share in SEE.

Russia has exploited its dominant position in the energy market and its long-term links with certain political and economic groups to shape political decisions across the region according to its own interests, but often to the detriment of the home country consumers. Energy has also been the main channel for the growing Russian economic and political influence in SEE. The most visible manifestation has been the gradual takeover of the energy sector by Russian companies. With the exception of Greece and the Republic of North Macedonia (RNM), Russian firms directly or indirectly control the region's biggest refineries, wholesale fuel distribution networks and underground gas storage facilities and gas pipelines. Its investments in the energy sector specifically have been designed to reduce competition and reinforce Russia's position by locking in supply. Such investments are de-

signed not only to protect Russia's economic and political interests, but also to promote interdependence among countries that prioritise Russia in their relations. Long-term oil-indexed gas supply contracts have kept prices higher than the average in Europe, while Russia-linked intermediaries have captured energy policy-making institutions to prevent the development of alternative routes, the connection of gas systems and the building of outlets for the import of liquefied natural gas (LNG) from the global market. Natural gas transmission operators and regulators have dragged their years for more than a decade now to reach a functioning agreement on liberalising cross-border trade along EU rules. The 2016 agreement between Greece, Bulgaria and Romania, and with the tacit support of the EU and Gazprom has yet to produce a major change on the regional gas markets, which remain more or less isolated islands.

A glimmer of hope is, nonetheless, visible at the end of the tunnel. The EU-Gazprom agreement on the anti-trust case related to monopoly pricing and the abuse of Gazprom's dominant position in several CEE and SEE countries has given a chance of governments to approach Gazprom and request new contract terms based on spot gas trading and flexible volumes. The abolishment of destination clauses in such revised supply agreements could also open the way to an increase in gas trading, in turn expanding competition and lowering prices for consumers.

There are also concrete efforts, albeit delayed, to move forward on source diversification. The Interconnector Greece-Bulgaria (IGB) has entered in its decisive construction phase having been exempted from the EU Third Energy Package and having found shippers to book slightly more than half of the pipeline. Hence, by early 2021 when the Trans Adriatic Pipeline (TAP), passing through Greece, Albania and landing in Italy, is completed, Bulgaria should start receiving 1 billion cubic meters (bcm) per year from the Shah Deniz II giant gas field in the Caspian Sea. New LNG terminals on the Adriatic and the Aegean are also in the making, while new gas discoveries in the Romanian Black Sea could usher a gas transformation in the SEE region in the next decade.

Breaking the Status-Quo

The SEE countries have been one of the hardest hit countries in 2009 following the gas supply disruptions in Ukraine. Almost a decade later, regional governments have done little to improve their energy security. Efforts to diversify the gas supply by building the regional interconnectors with Greece-Bulgaria, Turkey-Bulgaria, Bulgaria-Romania, Bulgaria-Serbia, Croatia-Bosnia and Herzegovina, Greece-RNM and Croatia-Hungary have stalled in spite of external financing and due to lack of administrative capacity and state capture from domestic and foreign interests.

The result has been that countries in the region have persistently depended on Russia for between 70% and 100% for their gas consumption.¹ Bulgaria, the RNM and Bosnia and Herzegovina are the most vulnerable as they do not have any domestic gas resources, and are currently locked-out of potential alternative gas supply. Serbia has some small domestic production but its inflexible contract with Gazprom, and the strong Russian influence over the government in Belgrade has prevented the country from seeking alternatives. Because of their energy dependence on Russia and insufficient integration into EU markets, over the past decade Bulgaria, Serbia, the RNM, and Bosnia have on average paid between 10% and 30% more for their Russian natural gas imports than Germany. In 2013, RNM and Bosnia and Herzegovina paid the highest and second highest import prices in Europe, respectively.² By contrast, the price German suppliers pay is close to 3.4% below the average Gazprom price charged to European clients. It seems that price differentials are largely determined not by market conditions but by other factors, such as the level of the natural gas dependence of an economy, whether a country has operational interconnections with neighbouring gas markets, and to what extent each country is able to influence the gas contract terms in bilateral negotiations with Russia. The justification given in price disputes for the lower price Germany pays for Russian gas as a “quantity discount” appears implausible when compared to

¹ Shentov, Ognian; Stefanov, Ruslan; Vladimirov, Martin. (2019 upc.). *Russian Economic Grip on Central and Eastern Europe*. Routledge: New York, 2019.

² Radio Free Europe. 2014. “Gazprom’s Grip: Russia’s Leverage Over Europe: Infographics on the Russian Gas Dependence in Europe by Country.” <www.rferl.org/a/gazprom-russia-gas-leverage-europe/25441983.html>.

the volume-adjusted prices in Ukraine and Turkey. Ukraine and Turkey are paying some of the highest gas import prices in Europe despite the fact that they purchase equally high volumes of Russian gas. Current long-term contracts between the national gas companies in CEE and Gazprom will last until the early 2020s, incurring huge losses for their gas customers. The Bulgarian state-owned gas company, for example, will overpay Gazprom around EUR 1.1 billion over that period – an amount equal to a third of the average annual EU development aid for Bulgaria until 2020.

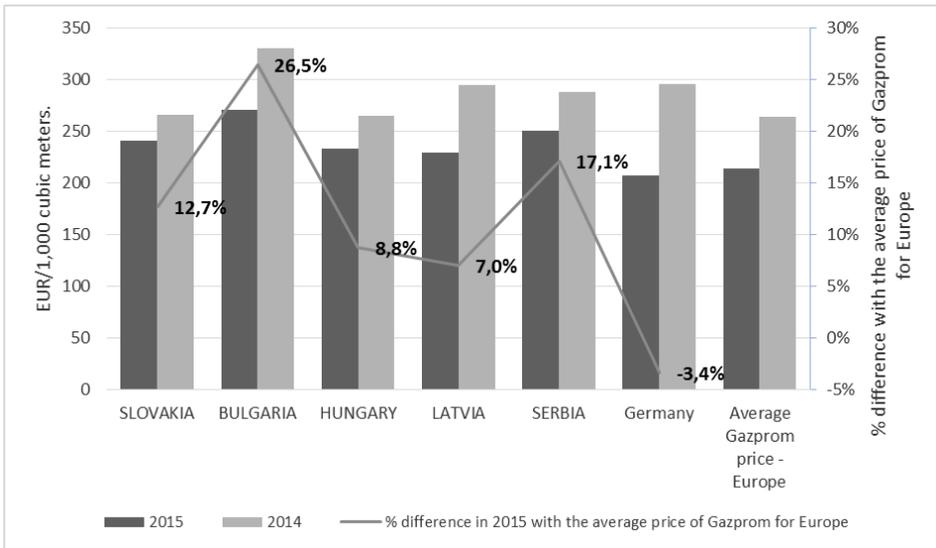


Figure 1: Average Natural Gas Import Prices in Selected CEE Countries (Source: Shentov, Ognian; Stefanov, Ruslan; Vladimirov, Martin. (2019 upc.). Russian Economic Grip on Central and Eastern Europe. Routledge: New York, 2019).

In a better shape are Romania, Croatia and Greece. Romania satisfies between 75 and 80% of its gas needs by local production, and is working proactively on developing its natural gas potential in the Black Sea, which is estimated at 200 bcm of recoverable gas reserves located in blocs under concession given to Exxon, Petrom and Lukoil, which could be extracted for 20 years at a rate of 9-10 bcm/year.³ Croatia, which satisfies half of its

³ Agerpres 2018, “ANRM: Marea Neagra romaneasca are reserve de 200 miliarde metri cubi de gaze”, <<https://www.agerpres.ro/economic/2018/02/20/anrm-marea-neagra-romaneasca-are-rezerve-de-200-de-miliarde-de-metri-cubi-de-gaze--58733>>.

consumption with domestic production, is planning to commission a 2.6 bcm/year LNG receiving terminal at the island of Krk by early 2020. The project has received more than EUR 100 million financing from the Connecting Europe Facility (CEF) of the European Commission, which funds strategic energy projects in CEE. Greece has a relatively diversified gas supply portfolio with around $\frac{2}{3}$ of its gas needs coming from Russia via the Transbalkan pipeline, and $\frac{1}{3}$ from LNG and by pipeline from Turkey. Growing gas consumption amid the closing of coal-fired power plants and the drive towards renewables is likely to push the country's dependence on Russia higher. However, DEPA's contract for purchasing 1 bcm/year of gas from Shah Deniz, and the plans for building a floating regasification terminal near Alexandroupolis could make Greece a potential hub for global gas entering the SEE region.

Paradoxically, with the exception of Greece, most of the countries in the region faced either stagnating or even falling gas consumption over the last decade. The reason is the relatively low levels of household gasification, shrinking industrial output following the collapse of the Communist regime, and the improving energy efficiency in residential buildings. The rising share of electricity from renewables could potentially expand the share of natural gas as a balancing fuel in the next two-three decades but the strict CO₂ emission reduction requirements in the EU and the European Energy Community would likely suppress a major transition to gas.

Despite the low consumption, Russia has translated its market share in political influence through the pricing of the gas. As a key input for industrial producers and district central heating utilities, natural gas is still perceived as a strategic commodity by governments in the region. At the end of 2012, the Bulgarian government traded its active participation in the then-alive South Stream project for a gas price cut of 20% but still continued to pay one of the highest gas prices in the EU. This agreement was one of the main triggers for the European Commission's investigation into Gazprom's policy in CEE. The gas instrument has also been particularly active in Serbia which has been receptive and active in courting this investment in order to buoy its flailing economy. In Bosnia and Herzegovina, the natural gas issue has been leveraged to sow discord between the different entities in the country causing political instability and distracting policy-

makers from critical energy governance reforms. In the RNM, the gas dependence was closely associated with the Russian support for the government of the former PM Nikola Gruevski. It embraced the continuation of the Gazprom-led Turkish Stream, namely the Tesla pipeline passing through the Western Balkans, and worked closely with a Russian gas construction company, Stroytransgaz, to extend the domestic natural gas pipeline network. Stroytransgaz is owned by US and EU-sanctioned Gennady Timchenko.

Hub Dreams or Reality?

Instead of focusing on the improvement of energy security, an essential element of the energy policy of many SEE countries is to transform into energy hubs no matter whether the economic logic allows it. This has been most visible in Bulgaria's drive to form the so-called Balkan Gas Hub following the cancellation of the South Stream gas pipeline at the end of 2014. The failure of the Russian project was a great disappointment to the Bulgarian government, which presented the project as a driver of economic growth. More realistically, the project served the interest of a clique of pro-Russian businessmen and politicians in the country, who would have benefitted from 50% of the construction costs worth EUR 1.9 billion (total costs for the Bulgarian section were around EUR 3.8 billion).

The current Balkan Gas Hub concept envisions a trading point for Russian (via a South Stream light pipeline through the Black Sea), Azeri and LNG gas (via TAP and the Greece-Bulgaria interconnector), as well as potential domestic production from Black Sea offshore reserves. Most of the associated projects are related to the expansion and modernisation of existing gas transmission infrastructure allegedly in preparation for major gas exports from Bulgaria to Central Europe via Serbia. Cost estimates vary between EUR 1.8 billion and EUR 2.1 billion, coincidentally equaling the Bulgarian stake in the former South Stream project on Bulgarian territory. Meanwhile, the efforts to diversify the gas supply by building the Interconnector Greece – Bulgaria (IGB) have moved only painfully slow in spite of external financing, existing contractual obligations with the Shah Deniz consortium and due to a lack of administrative capacity and state capture from domestic and foreign interests. The government has placed IGB as part of

the Balkan Gas Hub but has not prioritised the project despite the fact that only IGB could actually bring a new gas supply source to the region.

Instead, to justify the Hub project, the Bulgarian government is gearing up to win the competition for the exit route on the planned 15.75 billion m³/year TurkStream 2 pipeline.⁴ The Bulgarian transmission system operator, Bulgartransgaz, has begun to work on short pipeline links from the Turkish-Bulgarian border to the transit network and has announced a market test for the possible construction of a new pipeline from the entry point of the existing gas transit pipeline near the Romanian border to the border with Serbia. If this plan materialises, the new Russia-led Balkan project would mirror the route of the now-defunct South Stream.⁵ It is not surprising that the Bulgarian PM Boyko Borissov has allegedly asked Vladimir Putin for TurkStream to pass through Bulgaria rather than Greece. A final decision is not expected before the end of 2018.

Romania has also been keen on the idea of becoming a natural gas hub considering its vast natural gas reserves, and strategic geographic position. However, political rhetoric has not matched concrete actions. The Romanian government is yet to begin concrete steps to liberalise natural gas exports, a policy heavily lobbied by the domestic industry. Meanwhile, domestic gas producers are pushing for exports because the Romanian market cannot sustain the current levels of production. Despite this push things have moved slowly. The Transbalkan gas pipeline is still not accessible to Romanian exports of gas to Bulgaria, the status of the available capacity on the transit pipeline and its use is unclear, while BRUA (Bulgaria-Romania-Hungary-Austria pipeline and Transgaz' flagship interconnection project)

⁴ Vladimirov, Martin. (2018). "Can Russia Use Energy to Renew Its Grip on Bulgaria?". *BalkanInsight*. 1 June, 2018

⁵ Bulgartransgaz said that five companies had expressed interest in booking up to 54.6 million m³/day at the Bulgaria-Turkey border, while only 34.4 million m³/day would reach the Serbian border. The TSO puts the price tag of the new "Bulgarian Stream" at EUR 1.5 billion but it is hard to imagine that such a pipeline could be built in less than 24 months.

have been blocked in Hungary.⁶ In addition, BRUA can be used to its full capacity only when the Black Sea deposits can be developed to supply Western European markets. The development of this enormous gas potential has been delayed on a number of occasions due to inconsistent tax and other regulations blocking the work of international investors.⁷ Romania has also done little to advance regional interconnector pipelines with neighbouring pipelines. The Bulgarian-Romanian link is yet to become reversible despite a fairly small investment needed on the side of the country's gas transmission operator. The connection with Serbia is a distant reality, though officials from both countries mention a future memorandum to connect Serbia to BRUA near Arad. The project would cost about EUR 43 million and could be built after BRUA's second stage – that is, to become operational in 2026 at the soonest.⁸ The Romanian government has also pledged to begin exporting 1.75 bcm/year of gas to Hungary after constructing several compressor stations. Currently, there is technical feasibility for gas imports from Hungary but de-facto the Romanian gas market remains closed from outside competition.

⁶ In late June 2018, the Hungarian TSO FGSZ stated clearly that it would not build the interconnection with Austria in the BRUA pipeline, but would rather focus on expanding the interconnector with Slovakia, arguing that the investment in a direct pipeline from Hungary to Austria would be too expensive. At the same time, the Hungarian minister of foreign affairs asked for international pressures on the Romanian government to accelerate the developments in the Black Sea. These developments are gradually framed in a nationalistic tone by various Romanian commentators, from the mild to the extreme. The effect of such messages could be that Romania rethinks its exports of gas to Hungary, with possible effects on postponing the final adoption of the offshore law.

⁷ Several oil majors have committed large investments in exploration including Exxon Mobil and OMV Petrom – USD 2 billion, Lukoil – USD 0.5 billion, Black Sea Oil and Gas – USD 0.2 billion. Exxon has announced that it could be ready to start investing in production by the end of 2018, which means that most likely the gas could enter the market in 2021-2022. However, there are multiple legal and regulatory uncertainties which could postpone the development of the fields and delay future exports, particularly the protracted approval of a new legislation for offshore developments

⁸ Oprea, Alina. News.ro, November 2017, “O conductă de gaze între România și Serbia, pe relația Arad – Mokrin, ar putea fi finalizată în 2026, investiție de 43 milioane euro”, <<https://www.news.ro/economic/o-conducta-de-gaze-intre-romania-si-serbia-pe-relatia-arad-mokrin-ar-putea-fi-finalizata-in-2026-investitie-de-43-milioane-euro-1922404926362017111217413038>>.

Serbia has also tried to position itself as a potential future regional gas hub. Its claim for a Balkan gas center are similarly to Bulgaria's – based entirely on redistributing Russian gas. Gazprom has revived the joint Russian-Serbian South Stream project company in early 2018 by renaming it Gas-trans and giving it a new mandate to build a 12 bcm/year pipeline to ship Russian gas from the second line of Turkish Stream from the border with Bulgaria to that of Hungary (Turkish Stream's second line would have a total capacity of 15.75 bcm/year with 3.75 bcm directed to the Bulgarian domestic market). Since its announcement in 2015, Serbia has supported the continuation of Turkish Stream through the Western Balkans but it is unclear how the pipeline would be financed and to what extent the preparatory works for the South Stream could be used for this purpose.⁹ Related to this, in 2016, Gazprom has also doubled the capacity of the Banatski Dvor underground gas storage facility to 1 bcm, which would play a critical role in facilitating the transit of large quantities of gas through the country. The regional effect of the Banatski Dvor facility remains limited as a source of short-term gas security as long as Serbia is fully dependent on one source and one route for the supply.

Despite this entrenched dependence status, Serbia has done little to increase its options. The government delayed and blocked the construction of alternative gas supply routes, including the EU-backed Bulgaria-Serbia interconnector, which would allow Serbia to tap into Azeri gas through the Trans Adriatic Pipeline and potentially LNG reaching Bulgaria via the gas interconnector with Greece. The interconnector could be important even for the future supply of Russian gas after 2019, when the pipeline across Ukraine will stop being operational. Since 2012, the EU has constantly expressed an interest in financing the interconnector through the European Bank for Reconstruction and Development (EBRD). However, due to opposition from Srbijagas to the EU financing conditions, which include a demand for the unbundling of Srbijagas, and liberalisation of the domestic market, the project has stalled despite a number of bilateral government agreements with Bulgaria and official statements that construction is coming in 2018.

⁹ Center for the Study of Democracy. Assessing Russia's Economic Footprint in Serbia. Policy Brief 72, January 2018.

In comparison to the other three case studies, Greece is much better prepared to become a regional gas hub. The country satisfies the informal rule that for a virtual gas trading hub to develop, there is a need for at least three gas sources. These include the Russian gas supplies from Ukraine, the Azeri gas deliveries from the upcoming TAP pipeline, and the LNG supply through the Revithoussa terminal near Athens. Greece has also been vying to host the second line of the Turkish Stream project, which could potentially double the amount of gas transiting the country. Greece would not only replace Bulgaria as the main transit country for Russian gas in SEE but would also transform into a gas distribution centre for the Western Balkans. The latter would depend on the construction of the 516-km, 5-bcm/year Ionian Adriatic Pipeline (IAP) that would connect the Croatian gas transmission system at Split with the Albanian section of TAP. The Azeri gas could be then shipped to the North to Hungary and Central Europe. The state-owned Azeri company, SOCAR, has announced the development of a special project company to manage the pipeline project after in 2016 the governments of the Albania, Montenegro, Bosnia and Herzegovina and Croatia signed a MoU committing to the pipeline.

The project, however, does not seem to have taken up. Its cost of over EUR 120 million cannot be financed by local governments, and despite being recognised as strategic by the European Commission, it is yet to receive significant funding.¹⁰ Its economic viability is also questionable considering the limited gas consumption in the region, and hence, the low expected throughput of the pipeline. The IAP could potentially function only as a regulated pipeline so that it can apply for an EU grant and does not require high rate of return to justify private investment. The second problem before IAP is that at the moment Azerbaijan simply does not have enough gas to supply all the pipeline projects in the region. Facing domestic demand constraints, lower international oil prices and delayed gas exploration in the Caspian, the country is unlikely to be able to send more than the 16 bcm/year it had already pledged for Turkey (TANAP) and Greece, Bulgaria and Italy (TAP-IGB).

¹⁰ South East Europe Gas Power Consortium. (2018). Final Report Task 2 – IAP Feasibility (Report commissioned by the European Energy Community. *Economic Consulting Associates*. February, 2018.

Following the agreement of Prespa on the name status, there seems to be also a momentum for reviving work on a gas interconnector between the RNM and Greece. This seems to be also the cheaper option for linking the RNM gas system with Azeri gas flowing through TAP.¹¹ However, the latter option for diversification of gas supply has been largely ignored by consecutive governments, which have decided, instead, to put all of their eggs in one basket and entangle themselves in a long-term gas contract and unrealistic pipeline projects managed by Gazprom. In fact, the interconnector could potentially be used to ship Russian gas from the Greek gas distribution system that enters via Turkish Stream. Such an option was implied during a meeting in September 2018 between the RNM and Greek energy ministers to discuss a pipeline from Thessaloniki to Skopje along the already existing oil pipeline shipping crude oil to the Hellenic Petroleum-owned refinery Okta near the RNM capital.

Finally, Greece has launched efforts to build a Floating Storage Regasification Unit (FSRU) off the Aegean coast near Alexandroupolis with an offloading capacity of 6.1 bcm/year. Dubbed the Alexandroupolis Independent Natural Gas System (INGS), it would aim to attract LNG shipments from the global market anticipating the expected gas glut after the arrival of new LNG from Australia, Canada and the U.S. The project is driven by the private Greek gas supplier, Gastrade, owned by the Copelouzos family, which also has a majority share. In 2017, the LNG tanker company, GasLog, also took a 20% stake in the project, and is expected that both the Greek DEPA and the Bulgarian BEH, both shareholders in the IGB, would take another 25% in the project. The FSRU was planned to be commissioned by 2019 but the timeframe is likely to be delayed.

However, the project could be seen as a natural addition to the IGB, as it could deliver LNG directly to the SEE region, hence, solving the issue with the lack of enough pipeline gas from the Caspian Sea. Nonetheless, similar to the IAP, the FSRU is unlikely to be economically viable at the current market conditions. Despite rising natural gas prices, Gazprom can still undercut LNG imported to the region due to the still prohibitively high transport and transmission costs. Since the SEE gas market is small and

¹¹ Balkan Energy. 2016. "MER and DESFA Signed MoU on Gas Pipeline Construction," October 14.

does not show much future potential, few gas trading companies are interested in booking LNG volumes, while gas producers are unwilling to provide price discounts for the small volumes required for SEE.

The proliferation of MoUs on pipeline projects in the region and the renewed energy cooperation along the High Level Group of Central and South Eastern Europe Connectivity (CESEC) especially on gas interconnectors is a positive sign after years of self-centred energy policy but this political activism is yet to transcend economics. The same logic applies to natural gas hubs as a whole. They are not created but develop naturally on the back of liquid, diverse and competitive markets. The successful gas trading hub should have two fundamental aspects: firstly, it must have the ability to import and export gas to the market, and secondly, there must be a mature consumption centre, either through domestic demand or through the existence of markets easily reached from the hub.¹² The SEE region faces difficulties on both ends. It does not have the ability to seamlessly import and export natural gas to outside markets due to regulatory inconsistencies, bad governance of strategic interconnectors and limited financing. SEE countries with the partial exception of Greece are not mature gas markets, and are still largely isolated from the liquid and much more competitive markets in Central Europe. While there, already 60% of natural gas is traded on spot markets, the share of the market-based pricing in the SEE region is still at around 5%. To change the status-quo, energy regulators, transmission operators and governments have to work concertedly to synchronise network codes, abolish prohibitively high tariffs and develop a functioning auction platforms to allow cross-border trading. If these prerequisites do not exist, no matter what infrastructure gets built and how much new gas comes to the region, a functioning gas market is not likely to develop.

Conclusions and Policy Recommendations

The European Commission's efforts to integrate the SEE region into the EU internal market and diversify its gas supply away from a single supplier

¹² Vladimirov, Martin; Özenc, Bengisu. (2017). Towards a Stronger EU-Turkey Energy Dialogue Energy Security Perspectives & Risks. Center for the Study of Democracy and Economic Policy Research Foundation of Turkey, April, 2017.

along the Central European model have started to pay off. The liberalisation of the cross-border capacities along the Transbalkan pipeline, previously fully reserved by Gazprom, is now open for competitive bidding. Yet risks lie ahead and it would be naive to think that Gazprom would not try to prevent liberalisation. By making Russian gas more competitive, Gazprom could weaken the general argument among energy policy-makers that the alternative gas could be cheaper and that diversification investment pays off. Many energy policy-makers in the region share this opinion. However, Gazprom's decision to cut prices in the face of potential competition shows nervousness about the prospect of new gas arriving on the regional market. Hence, instead of delaying further liberalisation efforts, now is the time to actually step up the regional cooperation between regulators and national gas companies. This would further improve the region's bargaining position vis-à-vis Russia ahead of talks for a new long-term contracts in early 2020s. In this context, the recent example of Lithuania cannot be stressed further. By completing its floating LNG terminal near Klaipėda, the Lithuanian government secured a nearly 25% cut in the price Gazprom charged its national gas supplier. With global gas supply competition rising, there has never been a better moment for SEE to try to tap into the world market and to connect the archipelago of energy islands to the mainland.

Improving the energy security in the region, including the liberalisation and diversification of the national and regional gas supply requires the following actions:

- SEE governments should introduce decision-making procedures for prioritisation and selection of large investment projects based on clear and transparent criteria and fact-based analyses, synchronized with the EU and CEE regional priorities. Otherwise, the largest gas infrastructure projects would be vulnerable to serious corruption risks. Hence, the government should not focus its natural gas security strategy on the creation of a natural gas distribution hub near Varna, without presenting any feasibility study or assessment of the existing and future gas demand, and on the possible sources of new supply.

- Lowering administrative, regulatory and political burdens at national level to speed up those energy infrastructure projects, which may have regional and European effect, such as the gas interconnectors between Bulgaria, Romania and Greece as part of the Southern Gas Corridor.
- Fully transpose and implement the EU energy acquis to ensure an unbundling of the transmission and supply of natural gas and electricity, thus promoting the full liberalisation of energy markets.
- Ensure that strategic projects are not treated by the EU and other international financial institutions (IFIs) as commercial enterprises, so that they receive full backing on energy security and geopolitical grounds.
- Establish that all infrastructure projects are consistent with national regulations for transparency and competitive tendering procedures, and subject to independent cost-benefit analysis.
- Bring together regional governments to accelerate market coupling and joint project implementation based on a common energy security framework for the region that aims to integrate SEE in the larger European energy market.
- Counter corruption and state capture risks in the energy sectors of the countries in the region through cancelling market-distorting energy subsidies, separating political parties from the management of state-owned companies and improving the staffing procedures in order to professionalise the management of the energy sector.
- Achieving better regulatory quality and economic governance through continuous US and EU engagement, assistance and investment. Alone, no single SEE country is a match for large Russian companies, especially those backed by the Kremlin.

How to Enhance Energy Cooperation and Energy Security between Greece and its Western Balkan Neighbours

Patrick Larkin

The discussions in Heraklion, Crete, at the 37th Workshop of the PfP Consortium Study Group “*Regional Stability in South East Europe*” which I was honoured to participate in were most informative and instructive. I was enabled to better formulate my views on “*Greece and its Western Balkan Neighbours-Common Challenges in a Changing Europe*” and in particular on the question of Energy Security. That the issues addressed in each of the four panels are closely linked and intertwined soon became evident; Greek relations with its neighbours, transitional common challenges and solutions, demographic challenges, and energy security. Moreover it also became clear when addressing each of the topics that it is impossible to look at any of the questions, or the region itself, in isolation. Each issue must be looked at in a global context and requires solutions that are multi-lateral. Most notably the problems that arise from migration and the demographic challenges are global. Migration to Greece arises from security and economic problems in Syria, in the Middle East, and in sub-Saharan Africa. Energy security and investment in energy are components of the long-term solution and strategy that is required. Enhanced energy security in economically deprived areas of the world, particularly sub-Saharan Africa would bring about economic development and improved living conditions, which in turn would obviate the need for migration. To achieve the necessary level of energy security, major investment in energy infrastructure is required. There are a number of legal and treaty instruments already in place, which can facilitate this.

Greece as an Energy Hub

The question was posed to the Energy Security panel as to whether it would be feasible for Greece to become a hub for the transit of gas as a means of enhancing the energy security of the Western Balkans and the EU. This idea is largely based on the potential of the gas finds in the Eastern Mediterranean being exploited and transported to Greece by pipelines,

or by tankers in the form of LNG (Liquified natural gas). The discovery of offshore gas reserves in the Eastern Mediterranean has led to much speculation and political debate in recent years. The hope was that such large gas reserves might pave the way for greater economic integration between Eastern Mediterranean states and consequently lead to greater economic stability. This in turn would bring about major economic benefits for Europe, and provide a further opportunity to diversify away from reliance on Russian gas, and to support the development of deeper relations between Europe's regional partners.

Without discussing the details of what precisely is meant by a gas hub, there first must be a source of gas supply and then a market to transmit the gas to. The notion of a long sub-sea pipeline across the Mediterranean from Cyprus to Greece as a potential gas hub ignores too many realities: the economics at a time when gas prices are low; the absence of a grid through Greece to the main markets of central and northern Europe; and most importantly of all, the difficulties of sub-sea conditions.

Some have argued that a more realistic option is to take East Mediterranean gas to Egypt. LNG facilities are in place there and have not been used because of recent gas finds in that area. Moreover political relations between Cyprus and Egypt are good. In fact in late September 2018, the Energy ministers of Cyprus and Egypt agreed to set up a committee to work out details for an undersea pipeline connecting the Aphrodite natural gas field with an Egyptian LNG liquefaction plant. In an apparent bid to win EU backing, the Cypriot Minister, George Lakkotrypis stated "*we are essentially talking about a European pipeline, intended to transport Cypriot natural gas to Egypt for re-export to Europe in the form of LNG*". However it must be admitted that in reality tankers could transport such LNG exports anywhere in the world, as Egypt has immediate access to the Suez Canal. Egypt can once again become an energy exporter on a scale that would increase dramatically if regional politics allow it to become the hub for production from across the Eastern Mediterranean. These recent developments therefore do not indicate that there is potential for Greece to become a major gas hub for the transit of East Mediterranean gas to the EU, or even to Greece's Western Balkan neighbours.

Another important source of gas for the EU and South East Europe is the Caspian Sea, in particular the Shah Deniz gas fields in the Azerbaijan sector. The Southern Gas corridor is an initiative of the European Commission for the supply of natural gas from the Caspian and Middle Eastern Region to Europe. The goals of the Southern Gas Corridor are to reduce Europe's dependency on Russian gas and to add diverse sources of energy supply. The route from Azerbaijan to Europe consists of the South Caucasus Pipeline, the Trans-Anatolian Pipeline, and the Trans Adriatic Pipeline (TAP).

The Trans Adriatic Pipeline is the component, which is set to transport natural gas from Greece via Albania and the Adriatic Sea to Italy and further to Western Europe. Since it will enhance energy security and diversify gas supplies for several European markets, the TAP project is supported by the European institutions and seen as a "Project of Common Interest" and part of the Southern Gas Corridor.

The pipeline starts at the Greece-Turkey border at Kipoi, Evros, where it will be connected with the Trans-Anatolian gas pipeline. It will cross Greece, Albania and the Adriatic Sea and come ashore in Italy near Santa Foca. TAP also plans to develop an underground natural gas storage facility in Albania and offer a reverse gas possibility of up to 8.5 billion cubic metres. These features will ensure additional energy security for South Eastern Europe. But yet again the potential for Greece to be a gas energy hub is not clear.

As for the Western Balkan countries themselves and as consumers of such gas, these countries are not at all well gasified. There is not really an infrastructure for personal consumption. In the 1990s such investment might have made sense. But that is not so apparent now. In fact much of the Balkans depends on hydro energy and so it is not entirely clear that supporting gasification is a good policy for the region. Albania, by contrast, has the Trans Adriatic Pipeline passing through, but this has been paid for, or invested in, by others.

Existing Instruments for Energy Cooperation

There are three legal frameworks in which the question of energy security and the energy relations between Greece and its Western Balkans neighbours need to be examined:

- The European Union single market in energy
- The Energy Community Treaty (whose secretariat is in Vienna)
- The Energy Charter Treaty (whose secretariat is in Brussels)

The EU Single Market in Energy

In accordance with the EU Single Market in Energy, energy should flow across the EU-without any technical or regulatory barriers. Only then can energy providers freely compete and provide the best energy prices, and can Europe fully achieve its renewable energy potential. But despite progress made in recent years, Europe's energy system is still underperforming. The current market design does not lead to sufficient investment; market concentration and weak competition remain an issue. The European energy landscape is still too fragmented. In a recent paper the European Commission recognised the need to give a new political boost to completing the internal energy market.

The objective of the EU's internal market in the energy sector is to ensure a functioning market with fair market access and a high level of consumer protection, as well as adequate levels of interconnection and generation capacity. This requires the removal of numerous obstacles and trade barriers; the approximation of tax and pricing policies and measures in respect of norms and standards; and environmental and safety regulations. This is all something that Greece as an EU member state is obliged to facilitate and so must be taken into account in this discussion.

The Energy Community Treaty

The Energy Community is an international organisation established between the EU and a number of third countries to extend the EU internal market to Southeast Europe and beyond. The Secretariat of the Energy

Community is located in Vienna. With their signatures of the Energy Community Treaty of 2005, the Contracting Parties commit themselves to implement the relevant EU energy *acquis communautaire*, to develop and adequate regulatory framework and to liberalise their energy markets in line with the *acquis* under the Energy Community Treaty. Each of the countries of the region is a signatory of this Treaty; Greece and all the EU member states, and in addition Albania, Bosnia and Herzegovina, Kosovo, the Former Yugoslav Republic of Macedonia, Montenegro and Serbia are too. Outside the Western Balkans are Georgia, Moldova and Ukraine.

The aim is to establish a pan-European energy market by extending the energy *acquis* of the EU to the territories of third countries. The Energy Community legal framework covers legislation in the fields of energy, environment, and competition.

The Energy Charter Treaty

The Energy Charter Treaty of 1993 is an international treaty, which establishes a multi-lateral framework for cross-border cooperation in the energy industry. The secretariat of this international organisation is in Brussels. This Treaty covers all aspects of commercial energy activities including trade, transit, investment and energy efficiency. Initially the Energy Charter process aimed to integrate the energy sectors of the Soviet Union and Eastern Europe at the end of the Cold War into the broader European and world markets.

The Energy Charter is an example of a means of energy cooperation that is already in existence and which Greece and all of the Western Balkan countries, with the exception of Serbia and Kosovo are signatories. (Serbia is in fact giving careful consideration to acceding to this Treaty.) The Energy Charter Treaty is therefore part of the energy legal system of these countries. The Treaty is one that seeks to promote and protect investments in the energy sector. It provides a legal framework for energy trade and transit, and a protocol on energy efficiency.

The Treaty's provisions focus on five main areas:

- The protection and promotion of foreign energy investments, based on the extension of national treatment, or most favoured nation treatment (whichever is the most favourable);
- Free trade in energy materials, products and energy related equipment, based on WTO rules;
- Freedom of energy transit through pipelines and grids;
- Reducing the negative environmental impact of the energy cycle through improving energy efficiency;
- Mechanisms for the resolution of state-to-state or investor-to-state disputes.

Investments

The fundamental objective of the Energy Charter Treaty's provisions on investment issues is to ensure the creation of a 'level playing field' for energy sector investments throughout the Charter's constituency, with the aim of reducing to a minimum the non-commercial risks associated with energy-sector investments, in other words political or policy changes.

Trade

The Energy Charter Treaty's trade provision, were initially based on the GATT trading regime but were modified by the adoption of a Trade Amendment to the Treaty in 1988. This brought the Treaty's trade provisions into line with WTO rules and practice. The rules are therefore founded on the fundamental principles of non-discrimination, transparency and a commitment to the progressive liberalisation of international trade.

Transit

The Energy Charter Treaty's existing transit provisions oblige its Contracting Parties to facilitate the transit of energy in a non-discriminatory basis consistent with the principle of freedom of transit. This is a critical issue

for the collective security of the constituency, since so much energy resources are transported across boundaries on their way from producer to consumer. Under the Energy Charter Treaty, the Contracting Parties are obliged to facilitate transit of energy consistent with the principle of freedom of transit. Countries (and that includes those of the European Union and the Western Balkans) should treat transit of energy no less favourably than energy originating in, or destined for, their own markets. Obstacles should not be placed to the creation of new capacity in energy transport facilities, and established cross-border flows shall be secured.

Energy Efficiency

The Energy Charter Protocol on Energy Efficiency and Related Environmental Aspects (PEEREA) provides transition economies with a menu of good practices and a forum to share experiences and policy advice on energy efficiency issues with leading OECD states.

Dispute Settlement

The Energy Charter Treaty establishes dispute settlement procedures for cases of investment related disputes between an Investor and a Contracting Party, and for state-to-state disputes concerning the application or interpretation of the Energy Charter Treaty between Contracting Parties.

The existence of the Treaty's dispute settlement procedures is of considerable value in confidence building terms. The fact that such procedures are available, and that the Treaty's Contracting Parties have taken an unconditional obligation to accept their application where necessary, provides the reassurance for investors that, in the case of a dispute, they will be entitled to have recourse to this mechanism in defence of their interests.

Much more investment will be needed in the energy sector in Greece, in the Western Balkans, in South East Europe, and globally over the coming decades, particularly when considering the Paris Agreement (the COP 21) initiatives. These investments will not be achieved without mobilising private investors and capital. This therefore represents an opportunity for this region to strengthen its energy security.

The International Energy Charter- a new political declaration

In an effort to begin the process of bringing the principles of the Energy Charter up to date to meet the challenges of the 21st century, a new political declaration, the International Energy Charter was adopted in The Hague in May 2015 by the 73 countries present. A number of other countries have since signed. Greece along with all the member states of the European Union, and all of the countries of the Western Balkans including Serbia, but not Kosovo are signatories of this new political declaration. Most significantly the International Energy Charter takes the Energy Charter from its original Eurasian context and brings it to a global level. Essentially the International Energy Charter is an effort to create a global energy framework.

The adoption of the International Energy Charter is a clear demonstration that the Energy Charter Process is inclusive, that it is non-discriminatory, that it is open to any country willing to share the principles. Meanwhile, it addresses such contemporary challenges as access to energy. The necessity to invest in renewable energy has also been added. The focus for all countries and companies remains on energy investments, which would pay huge dividends for South East Europe.

The International Energy Charter can be used by all the countries to ensure cooperation at a working level – for example high voltage grids, experiences in unequal power generation, and regional distribution, mechanisms of cross-border trading, network planning and IT security. Such efforts would contribute to ensuring compatibility between all, or at the very least prevent further drifting apart at the technical, commercial and regulation levels.

Conclusions

The energy challenges which Greece and its Western Balkan neighbours face are therefore how to enhance their energy security; how to maintain an uninterrupted supply, but also how to diversify the sources of that supply. Linked to that is how to ensure and attract the required investment in energy infrastructure. Then on a global scale there is a need to mobilise private investment to achieve the climate objectives of the Paris Agreement and the UN Sustainable Development Goal No. 7 of universal access to affordable, reliable and sustainable and modern energy. The rule of law represents

the foundation of global energy architecture, and therefore needs to be reinforced and actively promoted. A new investment and trade environment would do much to alleviate the problems of poverty in those areas of the world that are the source of the migration problems which Greece faces.

That is why I argue that on the question of energy security for Greece and its Western Balkan relations:

1. There are existing treaties and legal instruments such as the Energy Community Treaty (2005) which must be relied upon and better utilised to develop energy relations in SEE. The Energy Community Treaty is designed to implement EU single energy market principles in the Western Balkans. Greece and its Western Balkan neighbours are all signatories to this Treaty, but much more effort is needed to bring the principles of the Treaty into national legislation.
2. As with many issues, a system of global governance would be beneficial in the energy sphere. An instrument for potential global energy governance already exists, the International Energy Charter. This political declaration on energy cooperation must likewise be utilised and further developed by the signatories.
3. To solve issue of migration in the long term especially from sub-Saharan Africa there should be a long-term strategy that provides for major investment in energy infrastructure in such regions. This would allow for the development of industry and enhanced living conditions there. As an EU member state Greece should urgently and strongly advocate for this amongst its partners in the Union. Such an approach would be to be benefit of all parties.

Energy Security and the Role of Greece in South East Europe

Theodoros Christopoulos

Introduction

Energy security is defined, according to the International Energy Agency (IEA), as “the uninterrupted availability of energy sources at an affordable price”. Energy security has many dimensions: long-term energy security mainly deals with timely investments to supply energy in line with economic developments and sustainable environmental needs. Short-term energy security focuses on the ability of the energy system to react promptly to sudden changes within the supply-demand balance. Lack of energy security is thus linked to the negative economic and social impacts of either physical unavailability of energy, or prices that are not competitive or are overly volatile.

In addition, energy plays an important role in the **national security** of any given country as a fuel to power the economic engine. The political and economic instability caused by war or other factors such as strike action can also prevent the proper functioning of the energy industry in a supplier country.

The Balkans, sitting at the crossroads of Europe and Asia, is a region characterised by specific geo-history and major geo-political importance. However some Balkan countries are already members of the EU and the NATO while in the Western Balkans, regional and international peace and security still need to be maintained and promoted. To this end energy policy and particularly **EU Energy Union**¹ can contribute effectively to bridge the gap and restore the imbalances.

¹ Energy Union is an EU Strategy launched in February 2015 and made up of five closely related and mutually reinforcing dimensions: a) security, solidarity and trust, b) a fully integrated internal energy market, c) energy efficiency, d) decarbonising the economy, e) research, innovation and competitiveness.

EU Energy Policy and Western Balkans

For sure, the non-member States of the EU in the Western Balkans should care of the EU Energy Union. Firstly, because their geographical location is particularly important for the European energy policies. Any meaningful effort to complete the single market of energy cannot bypass the enclave of ex-Yugoslav countries and Albania tucked inside the EU. Secondly, the Western Balkans are an integral part of the **Energy Community Treaty**² whose core purpose is to speed up the harmonisation with the EU rules in the area of energy, even in advance of formal membership talks. In other words, whatever new legislation comes through in response to the Commission's proposals, it will (sooner or later) reach the Western Balkans countries.

Yet the most serious reason to pay attention to the Energy Union is that it highlights cooperation at the regional level. If implemented, it will bind the area closer together, help to modernise its energy sector and contribute to economic development. The European Commission takes an inclusive approach as to what is meant by the term “region” – the Western Balkans are flanked by neighbours already inside the EU, namely Greece, Croatia, Hungary, Bulgaria, Romania etc.

On 6 February 2018, the Commission adopted its Communication on “a credible enlargement perspective for and enhanced EU engagement with the Western Balkans”. Energy in the context of connectivity plays a prominent role in the strategy which foresees “an expansion of the Energy Union to the Western Balkans”. In this context two important events took place in 2018. At the EU-Western Balkans Summit in Sofia (17 May 2018), The Sofia Declaration was adopted, stressing the need for increased connectivity, energy security and market integration in the region. Two energy commitments were signed on this occasion: the Joint Declaration for the Gas Interconnection Bulgaria – Serbia (IBS) and a MoU on electricity day-ahead market coupling between Bulgaria and the Former Yugoslav Republic of

² The Energy Community is an international organisation consisting of the EU, represented by the European Commission, and the countries of Western Balkans (as well as Ukraine, Republic of Moldova and Georgia) that aims to extend the EU's internal energy market to Southeast Europe and the Black Sea region.

Macedonia (FYROM). Building on the success of the Sofia Summit, the Western Balkans Six (WB6) ‘Berlin process’ Summit in London (10 July 2018) focused on assessing progress made by Western Balkan countries in reform measures in the process of the development of the Regional Electricity Market in the region.

Commission President Jean-Claude Juncker reiterated in his State of the Union speech, one year ago, the accession perspective for the Western Balkan countries. Some frontrunners may join the EU already as of 2025. The Commission Communication identified six flagship projects where the Western Balkans will benefit from early EU accession engagement. The expansion of the EU Energy Union to the Western Balkans is a key in this regard. All countries are contracting parties to the Energy Community Treaty and have to comply with the Energy Community acquis within set deadlines in the field of internal energy market, infrastructure, energy efficiency measures and renewables.

However the current energy situation in the Western Balkans is still far from ideal. Fossil fuels are still prevalent in the region. The electricity networks are weak and prone to blackouts. Albania and Montenegro still lack a direct access to gas grids. Serbia, Bosnia & Herzegovina and FYROM, on the other hand, are entirely dependent on a single supply source and supply route. The region, however, also enjoys a considerable energy efficiency and renewables’ potential.

The last meeting of the Strategic Group for International Energy Cooperation³, held in Brussels in June, identified four key issues for improving the energy situation in the Western Balkans:

Market integration: Regulatory alignment work in the region is already well underway thanks to the Energy Community, but far from complete. The Western Balkan partners committed at the Sofia Summit to accelerate the implementation of the acquis under the Energy Community and to complete the Regional Electricity Market in the Western Balkans. The EU

³ The Strategic Group for International Energy Cooperation is a group consisted of the General Directors for Energy of the EU member-states which meets 2-3 times per year.

will continue to support these efforts, including the Regional Electricity Market's future integration into the EU Internal Electricity Market with the help of the **CESEC**⁴ initiative.

Connectivity: The Leaders pledged in Sofia to enhance substantially connectivity in all its dimensions, including in the area of energy. The EU already provides today significant financial assistance for energy infrastructure projects. Projects of Common Interest (PCIs)⁵ between the EU and Western Balkans have been included in the 3rd EU PCI list. The Energy Community will also adopt the 3rd Projects of Energy Community Interest (PECI) and Projects of Mutual Interest (PMI) list later this year. Many of these big infrastructure projects, however, still suffer for various reasons from a slow implementation in the Western Balkan countries.

Energy Security: Increased interconnectivity between the EU and the Western Balkan countries once the region is fully integrated with the EU's gas and electricity grids will have positive effects on the mutual energy security. Moreover, expanding the EU Energy Union to the Western Balkans also opens up new avenues to diversify the EU's sources of energy supply further. A dysfunctional enlargement process, on the other hand, could weaken the EU's own energy security and make the diversification and transition process more challenging. CESEC offers a forum to discuss energy security and diversification projects in the region.

Energy Transition: The overall primary energy intensity in the Western Balkans is still very high and considerably above the EU28's average. Lifting the Western Balkans' energy efficiency and renewables' capacities will

⁴ Central and South Eastern Europe Energy Connectivity (CESEC) is an EU High Level Group aiming to coordinate efforts to facilitate the swift completion of cross-border and trans-European projects that diversify gas supplies to the region and to develop regional gas markets and implement harmonised EU rules to ensure the optimal functioning of infrastructure. The CESEC High Level Group was set up by Austria, Bulgaria, Croatia, Greece, Hungary, Italy, Romania, Slovakia and Slovenia and the EU in February 2015. They were joined later by the Western Balkans' countries, Ukraine and the Republic of Moldova.

⁵ Projects of common interest (PCIs) are key infrastructure projects, especially cross-border projects that link the energy systems of EU countries and are intended to help the EU achieving its energy and climate objectives.

be crucial for the region's future energy transition towards a low-carbon economy and its overall energy security. The Central and South-Eastern European Energy Connectivity (CESEC) initiative, which has recently been extended to energy efficiency and renewables projects, is contributing to help the Western Balkans in this transformational process.

Greece and the Western Balkans

The history of Greece is interwoven with the history of the Balkans, an area in which Greece has played a major role down through the centuries. Historically, the Balkans are considered to be a volatile region and the latest – and hopefully the last – conflicts in the region occurred at the turn of the 21st century, in the wake of the break-up of Yugoslavia.

As a longstanding member of the EU (1981), NATO (1952) and other Euroatlantic institutions, Greece pursues the consolidation of stability, security and development in the region through the establishment of good neighbourly relations and respect for the basic principles of International Law and order – as they are set down in the UN Charter – as well as through the full incorporation of all the Balkan countries into the European and Euroatlantic institutions.

In the field of energy, Greece is implementing an extrovert energy policy aiming at the diversification of energy routes and sources, which is crucial for the Balkans countries and which constitutes the cornerstone of EU energy policy. The final goals of Greek energy policy are both the security of supply enhancement as well as the better functioning of the energy market for the benefit of the end consumer and the industry.

Moreover, Greece lies at the crossroads of several complex energy projects that are vital for increased EU energy security. This, coupled with its geostrategic position, lends Greece a great opportunity to be an energy hub. With ample possibilities for renewable energy too, its potential to be a core ingredient of Southeast Europe's energy mix is clear.

In this direction, Greece is promoting three gas projects that contribute to the realisation of the **Southern Gas Corridor**⁶, such as the Trans-Adriatic Pipeline (TAP), the Interconnector Greece-Bulgaria (IGB) and the Liquefied natural gas (LNG) terminal in Northern Greece. In this respect the inclusion of the three projects above in the latest list of PCIs (November 2017) underlines the importance of accelerating our efforts for their implementation. It is also widely understood that the timely completion of relevant interconnections constitutes an important prerequisite for the further development and integration of gas markets in South Eastern Europe. Finally, the development of the Southern Gas Corridor provides possibilities for further connection to gas networks in South Eastern, Central and Western Europe.

Before analysing the ongoing projects, it is noted that the Electricity Transmission System of Greece is already interconnected with Bulgaria (Thessaloniki-Blagoevgrad line), with FYROM (Thessaloniki-Dubrovo and Meliti-Bitola lines) and with Albania (Kardia-Zeblak, Murtos-Bistrica). Moreover, there is an existing oil pipeline connection between Greece and FYROM which was in operation for the transport of crude oil to the refineries of FYROM until the shutdown of those refineries. The reopening of the oil pipeline could be for sure mutually beneficial for both countries.

TAP

It is without saying that the construction of the Trans Adriatic Pipeline (TAP) bringing gas from Azerbaijan via Turkey to Greece, Albania and Italy and then to the rest of the European continent consists a top energy priority for Greece, the Southeast Europe and the EU as a whole. The TAP starts near Kipi, on the border of Turkey and Greece, and continues on-shore, crossing the entire territory of Northern Greece, its longest stretch, then onwards east to west through Albania to the Adriatic coast. The off-shore section of the pipeline will begin near the Albanian city of Fier and it will traverse the Adriatic Sea to tie into Italy's gas transportation network in Southern Italy. TAP will be 878 km in length (Greece 550 km, Albania 215 km, Adriatic Sea 105 km, Italy 8 km). Its highest point will be approximate-

⁶ Southern Gas Corridor is an EU initiative comprised of several separate projects for a natural gas supply route from Caspian and Middle Eastern regions to Europe.

ly 2,100 metres in Albania's mountains, while its lowest will be 820 metres beneath the sea.

TAP is currently moving further into the project implementation phase. Every day hundreds of meters of TAP are constructed in line with the schedule and, at the end of the second quarter of 2018, the TAP project was more than 76% completed.

TAP's initial capacity is 10 billion cubic metres (bcm) per year however, in the future, the addition of two extra compressor stations could double throughput to more than 20 bcm/year as additional energy supplies come on stream in the wider Caspian region.

For the proper construction of the project, Greece has made all the necessary steps such as:

- In 2013 the Host Government Agreement between the Hellenic Republic and the company (TAP-AG) was ratified by Law. That Law, among others, specifies in full details the authorisation procedure for the whole project.
- All the following permits have been granted by the Greek Authorities for the implementation of TAP project: the license of Independent Natural Gas System Operator, the Approval of the Environmental Impact Assessment of the project, the Installation Act regarding the setting up of the route of the pipeline running a distance of 550 km at the northern part of Greece and the Installation Permit for the pipeline, the 23 valve stations and also the Compressor Station at the region of Kipi.
- On October 2017, the last shipment of steel line-pipes for the construction of TAP arrived in Thessaloniki. The transport of 55,000 TAP pipes and bends was completed in approximately one year and a half.
- An agreement between the Ministry of Environment and Energy and TAP-AG has been reached concerning compensation for the

use of forest and public land, which has initially been excluded from the original contract. In addition, the desire of the pipeline company to support local communities through an important Corporate Social Responsibility programme is being realised. Under the responsibility of the Ministry for Environment and Energy a Steering Committee has been set up with the participation of TAP-AG and the authorities of local and regional administration in order to exploit these resources for the benefit of all residents in the municipalities through which the pipeline will cross, during its construction.

- Moreover, on May 2017 the Ministries of Energy of Greece and Albania signed a MoU in order to consolidate their cooperation with the scope to perform the operation and maintenance services of the Albanian section of the TAP Gas System.

In Southeast Europe, one of the regions that will benefit most from opening the Southern Gas Corridor, TAP has entered into multiple Memoranda of Understanding and Cooperation with the developers of the proposed Ionian Adriatic Pipeline⁷ (IAP). At the time being, relevant companies from Croatia, Slovenia and Bosnia-Herzegovina as well as and the energy ministries of Albania and Montenegro are working with TAP on the interconnection and alignment of the two projects.

Further support for the TAP-IAP connection came in May 2013 when the governments of Albania, Bosnia-Herzegovina, Croatia and Montenegro signed a MoU in support of both pipelines, as well as a declaration of support by the Adriatic Ionian Initiative Council.

Additionally, in June 2013 the foreign ministers of six countries – Albania, Bosnia and Herzegovina, Croatia, Greece, Italy and Montenegro – met in Dubrovnik, Croatia, to once again confirm high level political support for TAP.

⁷ Ionian Adriatic Pipeline (IAP) is a project aiming to take Caspian gas into the markets of Albania, Montenegro, Southern Croatia and Bosnia-Herzegovina.

IGB pipeline

The Gas Interconnector Greece-Bulgaria will provide a direct link between the national natural gas systems of Republic of Greece and Republic of Bulgaria and will therefore act as a strategic gas transportation infrastructure providing diversification of gas supply to the Bulgarian and South East Europe gas market. The project will have an overall length of 182 km, will also be equipped to offer physical reverse flow and is being developed by the joint venture company ICGB-AD, registered under Bulgarian law.

The present process of design envisages the development of the IGB Pipeline with a transportation capacity of approximately 3 bcm/year of natural gas from Greece to Bulgaria and the technical design of the pipeline has reflected the possibility to meet possible future market needs for a higher transportation capacity through an upgrade to approximately 5 bcm/year, which could be achieved through the installation of a compressor station.

The Final Investment Decision of the IGB was taken in December 2015 and construction is scheduled to start during the second half of 2018. The project should be commissioned during the second half of 2020 in parallel with the beginning of TAP's operation. Therefore, once the Southern Gas Corridor opens, the IGB will deliver Caspian gas to Bulgaria via its connection with TAP. The project is now in the critical pre-construction phase. ICGB is working closely with national authorities and the European Commission.

It is also underlined the crucial role of the project for the interconnection of the Bulgarian and Serbian gas systems (IBS), as complementary to the IGB, with a view to safeguarding uninterrupted gas supplies and overcoming the missing links necessary for the completion of an interconnected regional gas market. As referred above, a Joint Declaration signed by the two countries at the EU-Western Balkans Summit on 17 May.

Greece is committed to continue its strong efforts, joining forces and cooperating with the Bulgarian Ministry for Energy and all the involved stakeholders, in order to move swiftly towards the project's realisation.

LNG Terminal in Northern Greece (Alexandroupolis)

The floating LNG Terminal will be developed offshore the town of Alexandroupolis in Northern Greece and comprised of a receiving, storage and regasification unit (FSRU) which will create a new natural gas gateway to the markets of Southeast and Central Europe. The Alexandroupolis LNG FSRU is expected to have a capacity of 6.1 bcm/year and a storage capacity of up to 170 000 m³ of LNG.

The LNG Terminal enables multi-sourced LNG to be marketed in the region, thus enhancing competition through multiple pricing principles, mechanisms, optionality and price convergence. It is interrelated and provides critical support to the Interconnector Greece-Bulgaria (IGB) which is a key new infrastructure that enables to increase diversification of entry points primarily to Bulgaria but in combination with other interconnectors.

The project has received all required licences and the Front-End Engineering Design (FEED) has already been completed. The Final Investment Decision is expected by the end of 2018.

Electricity Interconnection Greece-Bulgaria (Nea Santa – Maritsa East)

This is also a Project of Common Interest (PCI) which concerns the construction of a new single circuit 400 kV interconnection line between the substations Maritsa East 1 (Bulgaria) and Nea Santa (Greece). The length of the line is approximately 130 km. This project will increase the transfer capacity at the Greek-Bulgarian borders and the transmission capabilities of the energy system in the Balkans' region. It will also contribute to the safe integration of renewable energy sources in Northeast Greece as well as in South Bulgaria. The achieved strengthening of the 400 kV network in the area will have a significant positive impact on the operational security of the interconnections between the European and Turkish power system.

At this time the project is in permitting status and it is expected to be constructed by 2021.

Gas Interconnector Greece-FYROM

On October 2016 a MoU was signed in Skopje, between the Hellenic Gas Transmission System Operator (DESFA) and the State Company for the exploitation of energy resources in FYROM (MER). The purpose of the agreement is the beginning of a close cooperation between DESFA and MER in order to examine the possibility of linking the Natural Gas Systems of the two countries. To this end, a joint group of executives will be set up by the two companies for the preparation of a technico-economic study on the new gas pipeline link viability.

Based on the MoU provisions the pipeline will have a length of 160 km, will start from the area of Nea Mesimvria, Thessaloniki and will end up to the city of Stip.

This pipeline is part of the energy strategy set by the Greek Ministry for Environment and Energy for powering upstream natural gas systems via Greek National Transmission System enhancing the security of supply in the region. Furthermore the importance of the supply possibility of the neighbouring country through the existing LNG terminal of Revithoussa has been emphasised which now has been significantly upgraded.

On 7 September 2018 the Greek Energy Minister stated in Thessaloniki that Greece and FYROM are currently working on the idea of this new interconnector, as part of the improving ties between them, upgrading both, relations and energy supply, for the two neighbouring countries and the wider region.

Given than the objective of Greek policy is both to make the country an energy hub in Southeast Europe and to enhance the diversification of routes and sources, Greece also participates in the relevant procedures for the transport of Russian natural gas to Europe (southern routing of Russian gas). A positive development towards this direction was the signing of a MoU between the companies DEPA, Edison and Gazprom (Rome, February 2016) for the construction of a new Russian natural gas pipeline to Italy via Greece, in a plan compatible with the EU energy legislation. The above mentioned route for transporting Russian natural gas through

Greece will contribute to the uninterrupted supply of the consumers of the Southeast region and the EU as well, through diversification of gas routes. In parallel, Greece is moving forward with hydrocarbon exploration that could prove extremely beneficial for the Greek economy and for energy security across Southern Europe. If substantial oil and gas reserves are found, this would mean Greece and its neighbours would have less reliance on imported hydrocarbons.

At the time being the strong and rekindled interest from major global actors in the exploitation of Greek hydrocarbon reserves in the Ionian Sea and south of Crete.

The contracts for hydrocarbon exploration in the fields of Ionian Sea and southwest of Crete will have been completed by the end of 2018. In addition, the state-owned Hellenic Hydrocarbon Resources Management has indicated that the first drilling in the fields of Patra and Katakolo will take place by the end of next year after the contracts were awarded earlier than planned. According that company, Greece's geological characteristics are similar to other parts of the eastern Mediterranean where there have been significant discoveries in countries such as Cyprus, Israel and Egypt in recent years. This means that the size of hydrocarbon reserves, if confirmed, could be in the range of 3 to 30 trillion cubic feet.

PART V:

POLICY RECOMMENDATIONS

Policy Recommendations¹

“Regional Stability in South East Europe” Study Group

Summary of Recommendations

- *Governments of Albania and Greece:* Repeal outdated conflicting legislations regarding bilateral relations.
- *European Union (EU) and the governments of the Former Yugoslav Republic of Macedonia/FYROM (now North Macedonia) and Greece:* Highlight the advantages of the Prespa Agreement.
- *South East European (SEE) countries:* Refrain from implementing “pushback” policies towards migrants.
- *EU:* Prevent SEE becoming a depository for “unwelcome” migrants.
- *EU and SEE countries:* Establish a SEE Industrialization Fund to attract investment.
- *EU and SEE countries:* Establish certification agencies in the region to make regional export firms more competitive in the EU market.
- *SEE countries:* Implement policies that increase net migration.
- *SEE countries:* Rely on the Energy Community Treaty and the International Energy Charter in regard to energy relations.
- *EU:* Encourage SEE countries to promote clean energy solutions.

Situation Analysis

The Western Balkans (WB) region has been the forefront of the European Union’s (EU’s) foreign policy interests in South East Europe (SEE) since

¹ These Policy Recommendations reflect the findings of the 37th Partnership for Peace Consortium (PfPC) Study Group “Regional Stability in South East Europe” Workshop “Greece and Its Western Balkan Neighbours – Common Challenges in a Changing Europe”, convened in cooperation with Dr. Elena Mandalenakis and the Austrian National Defence Academy, from 20-23 September 2018 in Heraklion/Crete, Greece. They were prepared by Dr. Elena Mandalenakis. Valuable support came from Benedikt Hensellek, Dr. Predrag Jureković and Raffaella Woller (all from the Austrian National Defence Academy).

the breakup of the Soviet Union. As the region has already experienced a military conflict in Yugoslavia, leading to its subsequent breakup, the stability of the region is of paramount importance for the security of Europe as a whole. To that end, the accession of the remaining Western Balkan countries to the EU is considered a vital step.

Special emphasis has been given to establishing the dates for the commencement of negotiations for the accession of Albania to the EU, and the accession of the Former Yugoslav Republic of Macedonia/ FYROM (now North Macedonia) both to the North Atlantic Treaty Organization (NATO) and the EU. As Albania has been a NATO member since 2009 and an EU accession candidate since June 2004, it is expected that the negotiations will be significantly simpler as Albania has had plenty of time to prepare for the *acquis communautaire*. In addition to the prerequisites for the EU membership process, the resolution of all pending issues between the countries is regarded as indispensable for permanent peaceful relations within the broader European context.

Greek-Albanian Relations

Greek relations with Albania are based on trust and cooperation, considering that Albanians constitute the largest migrant group in Greece. Minority issues regarding the protection of the Greek minority in Albania, the repatriation of Chams into Greece and the return of their property, the delimitation of the Greek Exclusive Economic Zone (EEZ) in the Ionian Sea, and the exploitation of the Ionian Sea hydrocarbon reserves are the main issues between the two states. Currently, there is an agreement in force between the two states regarding the delimitation of the EEZ, which clarifies the energy issues in the Ionian Sea. Nevertheless, a political paradox persists in Greek-Albanian bilateral relations, as both countries still have legislation in force - relics of the Second World War – which identifies the other as an enemy. This claim of a state of war existing between the two countries persists to this day in political circles, despite an armistice being in force since 1943, a Peace Treaty which officially ended the state of war in 1947, and constitutional provisions in both countries which expressly give priority to international treaties over conflicting national law. The fact that both states signed a bilateral Treaty of Friendship and Cooperation in 1996 indicates that their relations are primarily guided by prospects of cooperation and

collaboration which already takes place bilaterally or through international fora and organisations.

Greece and FYROM (now North Macedonia)

The signing of the Final Agreement for the Settlement of the Differences or Prespa Agreement in June 2018 between Greece and FYROM represents a prime example of good neighbourly relations in SEE, one that has been used as a template for a regulation of bilateral relations between Serbia and Kosovo. Although it represents a positive step in the relations between Greece and FYROM, its ratification and implementation have encountered strong opposition in both states, by politicians and the public alike.

In FYROM the political climate remains tense regarding the constitutional amendments, as the positive outcome of the referendum regarding the country's European and North Atlantic future under the name of Republic of North Macedonia has been declared legally invalid for failing to meet the minimum standards of voter participation. In addition, the nationalist party, which President Ivanov identifies with, remains a strong agent of opposition, and the stability of the government has been put into question. However, a group of parliamentarians from the oppositional Internal Macedonian Revolutionary Organization – Democratic Party for Macedonian National Unity (VMRO-DPMNE), whose members dissociated themselves from the party line, supported the governmental coalition in opening the necessary constitutional process, but the outcome remains uncertain. In Greece, the agreement was met with fierce opposition from the public which equates the compromise reached to an unconditional surrender of its national and historical identity. There are multiple political challenges in both countries that must be confronted and resolved in order for the agreement to maintain its validity and at the same time guarantee good neighbourly relations.

Transnational Common Challenges: Migration

The common path of states is paved with common challenges that span different policy sectors. Transnational challenges such as the rise of irregular migration since 2015 through the Western Balkan route, transnational

crime, and the smuggling of people and goods pose significant humanitarian and security challenges to all countries involved. The most important factor, however, remains the absence of an EU common migration policy, leaving the affected countries along the WB Route to deal with the influx of undocumented immigrants through their national legal systems. This unavoidably leads to inconsistency concerning the treatment afforded to migrants, and also to cherry-picking on the migrants' part in an attempt to reap economic and social benefits.

In the case of Greece, as well as in countries along the Balkan route, the increased, unregulated inflow of migrants and/or refugees originating from countries of conflict (such as Syria) or of economic hardship (such as Pakistan) has produced a population change. Although the newcomers aim at using Greece as an entry point to the EU and the WB countries as transit states, many of them are left stranded in these countries. Once established, these people affect the demography and economy of those countries, as they are mostly unskilled young males. The demographic aims of each country will eventually determine their migration policy in absence of a common European position.

Demographic Challenges: Socioeconomic and Political Challenges

Greece and the WB countries face similar challenges despite their unique socioeconomic and political situations. All of these states are faced with a decreasing indigenous population as a result of low birth rates, as well as a population which is ageing to an irreversible extent. The uncertain economic conditions and the lack of labour market adaptability encourage the emigration of the most active, talented and educated generation to more prosperous countries which provide more favourable economic and welfare conditions for individual development. This leads to the depopulation of certain geographic areas and economic sectors as well as to an ageing population.

The non-EU member states have small domestic economies with only limited access to the European markets and strive to be competitive at a time of economic downturn. The reduction of human capital at the productive age due to low fertility and birth rates, the brain drain, and the ageing population reduce the economies' growth potential. This decrease in highly

specialised and trained human capital renders the country unable to rely and capitalise on its domestically educated expertise to guide its economy profitably.

Energy Security

Energy security achieved through the diversification of energy sources, routes and the exploration of new resources can contribute to the region's stability and economic prosperity. The interconnectivity of energy and transport infrastructure is vital for the enhancement of the SEE and WB states' energy security and can only be accomplished by deepening the states' political and economic relations. The EU's Southern Gas Corridor initiative aims at reducing Europe's natural gas dependence on Russia by supplying gas from the Shah Deniz gas field in the Caspian Sea to Europe. Greece and Albania support the construction of the Trans Adriatic Pipeline (TAP) in their territories, connecting the Trans-Anatolian Natural Gas Pipeline (TANAP) with Italy, with two-thirds of the TAP already completed. Future interconnections of TAP include the Gas Interconnector Greece-Bulgaria (IGB) to Bulgaria, which has already been contracted between the State Oil Company of the Azerbaijan Republic (SOCAR) and Bulgargaz, and the Ionian Adriatic Pipeline (IAP) connection to the WBs, which is still in the early stages.

The license for the exploitation of the Ionian Sea Block 2 offshore reserves has already been awarded to the TOTAL, Edison and Hellenic Petroleum oil companies. Greece is also taking steps towards increased gas reception, storage and output capacity for liquefied natural gas by upgrading the Revythoussa terminal and through the planned floating storage facility near Alexandroupoli, a joint venture between Bulgaria and Greece.

Policy Recommendations

Greek-Albanian Relations

- The group recommends that both states adhere to international legal norms and standards, acknowledge the supremacy of treaty law enshrined in their constitutions and repeal their outdated con-

flicting legislations for the betterment of bilateral relations. Both states repealing laws pertaining to a state of war would put an end to the issue and eliminate the possibility of future territorial claims.

- The EU should provide assistance in the prevention of misinformation being distributed to the public aimed at undermining the stability of the foreign relations of the two countries vis-à-vis their Euro-Atlantic integration.

Greek-FYROM (now North Macedonia) Relations

- Greece and FYROM (now North Macedonia) should continue to support each other's efforts aimed at good neighbourly relations.
- As the political outcome of the Prespa Agreement is still undetermined, bearing in mind the political turmoil it has unearthed in each of the countries involved, the EU, the United Nations (UN), and NATO should continue to encourage the resolution of the name dispute and the implementation of the outcome of the proposed agreement or any other provisional solution².
- The EU should provide assistance in the prevention of misinformation being distributed to the public aimed at undermining progress in the region and its Euro-Atlantic integration, while maintaining its political neutrality vis-à-vis the actors involved. Special emphasis should be given to highlighting the advantages of the proposed agreement.

Turkey-SEE Relations

- Turkey is encouraged to respect international treaties and agreements according to which the Greek-Turkish borders were established and recognised Greece's sovereignty and territorial integrity. According to the EU Treaty, Greece's borders with non-EU mem-

² After the legal decisions were taken in two national parliaments the Prespa Agreement became effective in February 2019.

bers are considered to be the external borders of the EU, hence, problematic bilateral relations due to territorial claims supported by demonstrations of military power will further negatively influence EU-Turkish relations.

Transnational Common Challenges: Migration

- It is strongly recommended that the EU agrees on a coherent migration policy, taking into account that irregular migration continues to be a security risk to and a humanitarian challenge for the WBs and SEE.
- In addition to a common migration policy, the EU should further address the root causes of migration and adopt long-term strategies designed to curtail these causes in the countries of origin.
- The EU should actively prevent the transformation of the WBs and SEE into a depository for “unwelcome” migrants by strongly encouraging adherence to the EU-Turkey Agreement on migration and promoting burden sharing in the field of illegal migration.
- Accordingly, transit or receiving states should refrain from implementing a “pushback” policy for migrants.
- The EU and the receiving states should invest in the improvement of the processes determining the status of a person (i.e. refugee or migrant), with particular emphasis on enhancing their efficiency and decreasing their duration, the improvement of living conditions during said process, as well as on the proper training and qualification of the personnel tasked with this process.
- To deal with the transnational effects of smuggling migrants into the EU and trafficking illegal substances across the border, further police cooperation in the field of information sharing as well as of joint and parallel investigations is encouraged.

Demographic Challenges: Socioeconomic and Political Challenges

- To tackle the effects of an ageing population and the brain drain on the labour market, countries should aim at increasing their labour force by introducing atypical forms of employment, such as part-time employment, teleworking etc. and by implementing “active ageing” policies which raise the retirement age and limit the options for early retirement.
- It is further recommended that the countries implement policies to increase the birth rate, and to improve childcare in order to facilitate the combination of motherhood/fatherhood and employment.
- Regarding economic development in the WBs, the countries should actively attract domestic and foreign investment in the manufacturing, agricultural and service sectors through more transparent investment processes.
- The establishment of a joint investment support agency, i.e. a South East European Industrialization Fund, aimed at facilitating foreign direct investment in the region’s manufacturing industries would reduce investment costs.
- The establishment of certification agencies in the region would compel export firms to abide by international production standards, which in return would make them more competitive in the EU market.
- The countries should promote investment in niche sectors, such as Information Technology, to strategically increase their markets’ competitiveness in the global economy.

Combined Policy Recommendation on Demography and Migration

- Recognising the high emigration trends in the WBs and SEE in conjunction with the need for economic development, the countries should implement policies that increase net migration, either

through the return of nationals or through the inflow of foreigners with positive effects on the labour market and individual incomes. Such a policy would provide a short-term solution to the high emigration rates, the ageing population and the brain drain these countries experience.

Energy Security

- In line with the Berlin Process priorities, connectivity is one of the key priorities in the WBs, which is why the EU and other international actors, including International Financial Institutions (IFIs), should continue with their technical and financial support concerning the energy and transport infrastructure in the Balkans.
- The SEE and WB countries should develop the proper legal frameworks to attract investors in the energy sector.
- Existing treaties and legal instruments, such as the Energy Community Treaty (2005) must be relied upon to develop energy relations in SEE. The Energy Community Treaty is designed to implement EU single energy market principles in the WBs.
- The International Energy Charter, a political declaration on energy cooperation signed in The Hague by over 70 countries including Greece, all EU member states, and all the WB countries, provides the framework for global energy governance which must be utilized and further developed by the signatories.
- The SEE and WB countries need to develop and implement strategic approaches towards the diversification of energy resources to ensure long-term energy security and stability, and independence from the political influence of third parties.
- The EU should continue to encourage and support investment in sustainable clean energy solutions in the WB countries, and should impose higher EU accession conditions concerning alignment regarding environmental protection and sustainability.

Combined Recommendation Concerning Energy Security and Migration

- Investment in energy infrastructure in other countries such as the Sub-Saharan Africa will help those countries' economic development and will negatively influence the migratory outflows towards Europe. Greece should strongly advocate this as an EU member state.

Concerning FYR Macedonia (now North Macedonia) and Montenegro

- The EU should start membership negotiations as soon as possible with the FYR Macedonia (now North Macedonia) and Albania. This step would support necessary reforms in these countries. Moreover, Skopje's confidence-building measures toward Athens would be confirmed by this.
- NATO should consider offering the FYR Macedonia (now North Macedonia) membership at its next summit in July. This can be done in form of some kind of provisional invitation, if there is still no formalized solution of the name dispute with Greece in the meantime.³
- In Montenegro, government structures should enable investigative journalists to do their work without impediments and threats.
- The EU Commission should consider introducing the final benchmarks for Montenegro in the negotiating Chapters 23 and 24, which would induce further progress in the rule of law area.

³ After the Prespa Agreement became effective in February 2019, NATO member countries began with the process of ratifying North Macedonians Accession Protocol.

List of Abbreviations

AG	Aktiengesellschaft / Joint-stock company
ASTRA	Serbian Anti Trafficking Action
bcm	Billion cubic metres
BEH	Bulgarian Energy Holding
BiH	Bosnia and Herzegovina / Bosna i Hercegovina
BRUA	Bulgaria-Romania-Ungaria/Hungary-Austria pipeline
CBM	Confidence-building measures
CEE	Central and Eastern Europe
CEF	Connecting Europe Facility
CESEC	Central and South-Eastern Europe Connectivity
CESEE	Central, Eastern and South-Eastern Europe
COP 21	21 st Conference of the Parties
DEPA	Δημόσια Επιχείρηση Αερίου [Dimósia Epicheírisi Aeríou] / Public Gas Corporation of Greece
DESFA	Διαχειριστής Εθνικού Συστήματος Φυσικού Αερίου [Diacheiristes Ethnikou Systematos Physikou] / National Natural Gas System Operator
EASO	European Asylum Support Office
EBRD	European Bank for Reconstruction and Development
EC	European Commission
EDES	Εθνικός Δημοκρατικός Ελληνικός Σύνδεσμος [Ethnikos Dimokratikos Ellinikos Syndesmos] / National Republican Greek League
EEZ	Exclusive Economic Zone
ELIAMEP	Ελληνικό Ίδρυμα Ευρωπαϊκής και Εξωτερικής Πολιτικής [Elleniko Idryma Europaikes kai Exoterikes Politikes] / Hellenic Foundation for European and Foreign Policy
EU	European Union
Eurodac	European Dactyloscopy
EUROPOL	European Police Office
FDI	Foreign Direct Investment
FEED	Front-End Engineering Design
FETÖ	Fethullahçı Terör Örgütü / Gulenist Terror Network
FGSZ	Földgázaszállító
FSRU	Floating storage regasification unit

FYR	Former Yugoslav Republic
FYROM	Former Yugoslav Republic of Macedonia
GATT	General Agreement on Tariffs and Trade
GDP	Gross domestic product
HiPERB	Hellenic Plan for the Economic Reconstruction of the Balkans
HLCC	High-Level Cooperation Council
IAP	Ionian Adriatic Pipeline
IBS	Interconnection Bulgaria – Serbia
IEA	International Energy Agency
IFI	International financial institution
IGB	Interconnector Greece-Bulgaria
INGO	International non-governmental organisation
INGS	Independent Natural Gas System
IOM	International Organization for Migration
IPA	Instrument for Pre-Accession
JMC	Joint Ministerial Committee
LFS	Labour force survey
LNG	Liquefied natural gas
MER	Macedonian Energy Resources
MoU	Memorandum of Understanding
MP	Member of the parliament
NATO	North Atlantic Treaty Organization
NGO	Non-governmental organisation
OECD	Organisation for Economic Co-operation and Development
OMV	Österreichische Mineralölverwaltung / Austrian Mineral Oil Administration
OSCE	Organization for Security and Co-operation in Europe
PCI	Projects of Common Interest
PDIU	Partia Drejtësi, Integrim dhe Unitet / Party for Justice, Integration and Unity
PDU	Partia për Drejtësi dhe Unitet / Party for Justice and Unity
PECI	Projects of Energy Community Interest
PEEREA	Protocol on Energy Efficiency and Related Environmental Aspects
PfP	Partnership for Peace
PKK	Partiya Karkerên Kurdistanê / Kurdistan Workers' Party
PM	Prime Minister

PMI	Projects of Mutual Interest
PopProj	Population projections
PPP	Purchasing power parity
PWT	Penn World Table
RCC	Regional Cooperation Council
RNM	Republic of Northern Macedonia
RSSEE SG	“Regional Stability in South East Europe” Study Group
SDSM	Social Democratic Union of Macedonia / Социјалдемократски Сојуз на Македонија / Социјалдемократски сојуз на Македонија
SEE	South East Europe
SELEC	Southeast European Law Enforcement Center
SOCAR	State Oil Company of the Azerbaijan Republic
SWIID	Standardized World Income Inequality Database
TAIEX	Technical Assistance and Information Exchange
TANAP	Trans-Anatolian Natural Gas Pipeline
TAP	Trans Adriatic Pipeline
TFR	Total fertility rate
TSO	Transmission system operator
UN	United Nations
UNCLOS	United Nations Convention on the Law of the Sea
UNHCR	United Nations High Commissioner for Refugees
upc.	Upcoming
US	United States
USA	United States of America
USSR	Union of Soviet Socialist Republics
VMRO – DPMNE	Internal Macedonian Revolutionary Organization – Democratic Party for Macedonian National Unity / Vnatrešna Makedonska Revolucionerna Organizacija – Demokratska Partija za Makedonsko Nacionalno Edinstvo/ Внатрешна македонска револуционерна организација – Демократска партија за македонско национално единство
WB	Western Balkan(s)
WB6	Western Balkan Six (Albania, Bosnia-Herzegovina, Kosovo, Macedonia, Montenegro, Serbia)

wiiw Wiener Institut für Internationale Wirtschaftsvergleiche /
The Vienna Institute for International Economic Studies
WPP World Population Prospects
WTO World Trade Organization
WWII World War II

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There is more that Greece and its Western Balkan neighbours have in common than separates them. This publication of the 37th workshop of the Study Group “Regional Stability in South East Europe” ascertains the shared interests and challenges that require fostering good neighbourly relations for the above-mentioned states. Positive and critical aspects of bilateral relations are analysed in depth, common tasks regarding transnational as well as social and economic challenges are identified. Finally, possible paths for guaranteeing energy security in this part of Europe and beyond in the future are outlined.

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