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EXECUTIVE SUMMARY

"Globalisation, the European Union and the Western Balkans"

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Introduction

The Luxembourg Institute for European and International Studies (LIEIS), the Centre for the Study of Democracy, University of Westminster, the Anglo-Serbian Society, Belgrade and the Association of Fulbright Alumni of Serbia and Montenegro organised a summer school on "Globalisation, the European Union and the Western Balkans" from 29 August 2004 to 11 September 2004 in Budva, Montenegro. This summer school was the seventh edition of the 'International Summer School for Democracy' organised by the Anglo-Serbian Society since 1998.

The focus of the 2004 summer school was the implications of globalisation for the European Union (EU) and the Western Balkans and the present and future relations between the EU and the countries of the Western Balkans. Approximately 30 participants from about 10 countries of the Western Balkans and about 15 lecturers from Serbia and Montenegro as well as some EU countries attended the summer school. The programme was divided into lectures and debates in the morning sessions, and participants' presentations and group discussions in the afternoon.

The topics of debate of the summer school can be divided into three categories:

I. The nature of globalisation and its ramifications for politics, economics and culture
II. The EU and globalisation
III. The Western Balkans and globalisation

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There was wide agreement that the nature of politics, the economy, society and culture in Europe has changed profoundly since the end of the Cold War and that only a proper understanding of the causes underlying these changes will enable a response to current crises and future challenges. More specifically, the world has seen a shift from a bipolar to a unipolar world with one superpower – the USA – and one political and socio-economic system – liberal democracy and market economy. But there was equally wide disagreement about the causes of change as well as possible responses. Disagreement hinged on two sets of central questions. First of all, does the EU provide a genuine alternative to the prevailing global order, politically, economically, socially and culturally? Could and should it do so? If so, how? Secondly, do Central and Eastern Europe in general and the Western Balkans in particular view the EU as the sole repository of their future? Is there any alternative option to the accession as it is currently configured? What would it take to bring about transformations in the perception in Central and Eastern Europe of the EU and the West at large?

I. The nature of globalisation and its ramifications for politics, economics and culture

Throughout the two-week summer school, lectures, presentations and discussions invoked the concept and reality of globalisation and its relative importance in shaping politics, economics, culture and society in the world in general and in the EU and on the Western Balkans in particular. While many contributions sought to assess the importance of a number of phenomena related to globalisation, others questioned the very foundations of the concept and put forward alternative conceptions. There was also disagreement as to the precise influence of globalisation on the EU and the Western Balkans.

1. Globalisation: concepts and realities

According to Miroslav Pecujlic (Professor emeritus, Belgrade Law School), globalisation can be defined as a network of at least four interdependent planetary processes:

(a) technology and the emergence of phenomena such as the 'global village'

(b) global economy and the extension of transnational corporations and global capital without any borders

(c) global political institutions (e.g. UN, G8, etc.) which question national identity

(d) the spread of an allegedly superior model, at once the best and worst of US culture, economically superior and socially inferior

The nature of globalisation has evolved over the last 30-40 years, from a period of rapid economic growth and the consolidation of the welfare state between approximately 1950 and 1973-1980 and a slowdown of economic growth and the gradual dismantling of welfare institutions since about 1980. The stock market crash in 2001, coupled with deep cuts in social benefits, might generate a dangerous dynamics turning globalisation into something

like a 'world risk society' (cf. Ulrich Beck[1]). Prof. Milan Pecujlic also argued that either an uncritical embrace or a staunch opposition is not a solution to the complexity of globalisation, which constitutes a new sort of Gordian knot that is both modernising and reactionary.

Vukasin Pavlovic (Professor, Faculty of Political Science, Belgrade University) contended that globalisation is first and foremost a North-South divide which has replaced the East-West confrontation. This new divide concerns the redistribution of privileges and deprivations, of wealth and poverty. He referred to Robertson and Baumann, who define globalisation as a series of continual tensions between universalism and particularism, connections and fragmentation, global wealth and local poverty (or perhaps vice-versa?). According to this definition, the main driving forces of globalisation are not only the economy but also ecology. For Jelena Djordjevic (Professor, Faculty of Political Science, Belgrade University), globalisation has had a profoundly cultural dimension, fusing 'mass culture' and artistic production. Accordingly, the USA is a 'cultural empire', in the sense of wielding influence through the systematic spread of US mass culture, frequently with violent means. The question is whether the European, above all the French, response is in any way adequate. The cultural focus of globalisation bears at least two risks and dangers. First of all, cultural entropy as a result of stamping out difference and diversity and, secondly, cultural relativism as a result of equating the possible universality of norms and values with the false universalism of the West, namely the USA.

In various discussions, the participants questioned the usefulness of the term 'globalisation' and put forward alternative terms such as 'Americanisation', fragmentation, concentration and centralisation and also 'orientalisation', in reference to China's increasing influence on world economic affairs. There was also a vigorous debate about whether we are witnessing the emergence of a new US global empire (e.g. Johan Galtung *et al*.) or a coalition of the richest Western countries, and whether alternative poles of resistance and opposition might arise, capable of challenging the predominance of the West. Could there ultimately be an Orwellian world of several transregional blocs in opposition to one another? It also said that the anti- or alter-globalisation movement is a symptomatic phenomenon but that it lacks power of persuasion and adherence in order to transform the current forces of 'globalisation'.

2. Democracy, citizenship and the international system

Common to all contributions on the topic of democracy was the following question. Could – and should – there be one, universal definition of democracy and one set of shared criteria of assessing the level and depth of democracy in countries across the globe? In her presentation, Ilija Vujacic (Professor, Faculty of Political Science, Belgrade University) reported evidence suggesting that criteria on democracy vary for developing and developed countries and for the durability and the degree of democracy. She also argued that most indices of democracy tend to privilege quantitative manifestations of democracy over qualitative differences. This is true, for instance, of the so-called Friedenhaus index: among the numerous methodological problems, there is, first of all, a measure of freedom, not of democracy; secondly, a lack of translatability, which produces a possible bias against Muslim societies; thirdly, the elevation

[1] Ulrich Beck, *Risikogesellschaft*, rev. ed., Frankfurt/M.: Suhrkamp, 2003 (*Risk Society: Towards a New Modernity*, trans. Mark Ritter, London: Sage Publications, 1992); *World Risk Society*, Cambridge: Polity Press, 1999.

of political liberty over above civil liberty and, finally, a large institutional bias in favour of constitutional and against liberal democracies.

For Milan Podunavac (Professor; Dean, Faculty of Political Science, Belgrade University), globalisation promotes the centrality of citizenship and the universality of democracy. He cited the American philosopher John Rawls who theorised political liberalism and constitutional democracy as the distribution of basic political goods. Equally, Robert Dowd conceives of democracy as the universal principle of legitimacy. Far from being merely abstract, this account translated into political and legal practices that help produce and foster social cohesion. Following the works of Robert Putnam, Milan Podunavac argued that phenomena such as trust, a sense of justice and participation in political and civic processes, which can be grouped under the notion of social capital, are closely related to the importance of citizenship and the existence of liberal constitutional regimes. He also invoked Marshall's theory of the expansion of rights, according to which the eighteenth century saw the rise of civil rights, the nineteenth century the rise of political rights and the twentieth century the rise of social rights. In this light, Milan Podunavac predicted that the twenty-first century would see the extension of all these rights across the globe. On this basis, he produced a critique of both communitarianism and civic republicanism, arguing the former neglects the substantive dimension of common identities (e.g. national communities of fate), while the latter re-politicises citizenship and fails to recognise and to support the consolidation and extension of the public sphere and public reason.

There were also presentations and debates on the wider implications of globalisation on the international system. Margaret Blunden (Professor; former Provost, University of Westminster) argued that we are witnessing the simultaneous rise and co-existence of elements of order and disorder. Elements of order are the relationship between the major dominant world power – the USA – and the major international organisation such as the UN, the WTO, etc. According to the US National Security Strategy, American values should be considered universally acceptable. Other elements of order include transregional powers such as the EU. Elements of disorder are the proliferation of failing states, of small unstable states, as well as of multinational corporations that elude national taxation and regulation. Broadly speaking, there are two views on the current evolution of globalisation. Either the emergence of a new global empire, incarnated by the USA and/or a coalition of the richest Western countries which, together, embody a utopia of convergence towards one universal model. Or an unprecedented US hegemony, which will spark the emergence and consolidation of other blocs in an attempt to rival the power of the USA, e.g. Europe, China and perhaps Russia.

Beyond the exact configuration of the international system as a whole, there is one clear tendency, which is that of securitisation. According to Margaret Blunden, securitisation applies to realms as diverse as democracy and politics in general, the economy, religion and culture. The securitisation of democracy is a key phenomenon of the international system since at least the events of 9/11. Democracy is now being instrumentalised for the sake of security. In the past, the USA paid lip service to democratic principles as it consistently backed non-democratic regimes and helped overthrow left-wing governments. After the end of the Cold War, the promotion of democracy became much more central to US foreign policy, at least at the level of rhetoric. What has happened since 11 September 2001 is that the USA have become an empire, perhaps not in the same way as traditional empires, but in terms of global military presence, with over one hundred major military bases abroad and enormous deployment capabilities. Margaret Blunden quoted approvingly Weinstein who writes that

"the Utopia of American security policy is a world of market democracy with stable, representative institutions, open to trade and investment and policed by the USA". Equally, the securitisation of politics and the economy encompasses a number of domains such as the management of water and oil resources, the nature and velocity of capital flows, the fate of core industries like sugar in the case of Cuba, as well as the evolution of US debt levels vis-à-vis the rest of the world, especially China. The perception and understanding of these domains is nowadays couched in security terms.

Finally, the securitisation of religion and culture implies that the ideological struggle has turned away from the Cold War opposition between capitalism *vs*. communism, which shared some core traits such as materialism and hedonism, and today concerns the confrontation between an Islamic and a Western project, whose differences are more fundamental than the Cold War divide ever was. Related to the securitisation of religion and culture is the current strategic tendency of privileging the acquisition of intelligence by violent means in the so-called 'war on terror' over the long-term priority of democracy in countries like Russia and Uzbekistan.

Equally, the over-arching rhetoric of securitisation tends to blind many actors in the international arena to the fact the fact that 'terrorism' is at once a method and an objective and that the current 'war on terror' is not a war against a method or the enemy's objective but a war bent on regime change. It is also crucial to distinguish genuinely preventive wars that might avoid a crisis in the making and pre-emptive wars that rely on speculation about a possible future threat, e.g. alleged stockpiles of WMDs in Iraq, which turned out to be altogether absent. Finally, Margaret Blunden also suggested that the predominant locus of tensions arising from cultural homogenisation along American lines is and will be within, not between, states, in the sense there will not be a clash of civilisation between the West and the rest but instability and unrest within different societies that harbour different communities.

3. Globalisation and the future of the national state

David Chandler (Senior Lecturer, Centre for the Study of Democracy, University of Westminster) explicated Robert Cooper's typology of states, according to which there are, first of all, postmodern states (e.g. the EU member-states), secondly, modern states (e.g. the USA) and, thirdly, pre-modern states. One question that arises from this typology is whether 'Islamic terrorism' is post-national and therefore post-modern or perhaps after all pre-modern. While the debate on this issue is ongoing, what can be asserted less controversially is the fact that national interest are increasingly shaped by transnational issues like human rights and the environment. This has changed both the nature and the evolution of states within the emerging international system. According to Margaret Blunden, nation-building exemplifies some of these changes. Nation-building encompasses at least three elements: unifying ethnic groups, effective governance (e.g. democratic government) and economic (re-)construction. Over the last 50-60 years, nation-building has been fundamentally transformed. While the cases of Germany and Japan marked a relative success, not least because they were already unified states, had been developed economies and their huge destruction seemed to facilitate a national consensus, the five attempts since the end of the Cold War have all been marred not only by setbacks but by systemic failures. In the early 1990s, the 'Clinton Doctrine' preached short-term military intervention followed by long-term engagement but Somalia sparked the end of any long-term project of nation-building.

The Bush administration derided the Clinton approach as 'social work' but it changed tack in the wake of 9/11. Whether Clinton or Bush, what has emerged from examples of attempted nation-building as varied as Somalia, Haiti, Bosnia, Kosovo, Afghanistan and Iraq is that the following paradox: swift, relatively bloodless victories make nation-state building more difficult because in some sense there is no clean sweep. In the Winter 2003-2004 edition of the international relations journal *Survival*, a summary of the findings on attempted nation-state building in the cases of Germany and Japan on the one hand, and Somalia, Bosnia, Kosovo, Haiti and Afghanistan on the other hand reveals that relatively successful nation-building never takes less than five years and that one of the decisive factors is the number of troops and police in proportion to the total population. Transposed to the case of Iraq today, the minimum requirements for nation-building would be 500,000 troops and 50,000 international police.

Nation-building raises wider questions. First of all, religious, ethnic and tribal diversity complicates the process of unification of a national community, which in turn prevents any effective governance of a country as a whole. History teaches that the unity of nations is frequently more easily achieved against a foreign power than through its own proper agency. Equally, it is not clear that democracy is propitious to the unification of a heterogeneous nation and the formation of effective governments. Both Britain and France were unified states and nations and had effective governance (however iniquitous) before they began to democratise. Secondly, effective government is today equated with democratic government and, concomitantly, elections are taken to mark the definitive transition to democracy. However, elections are largely symbolic and genuine democracy and good governance by far exceed the mere organisation of elections. There is, in other words, a fundamental distinction between electoral and liberal constitutional democracy.

David Chandler's account in his book *Faking democracy in Bosnia* underscores the importance not only of freely operating parties, but also of the freedom of the media and unfettered markets as limits on absolute autocratic power. Again, recent history teaches that institution-building should take place before the organisation of elections, if nation-building is to succeed. This includes measures such as training judges and the police, securing press freedom, putting in place an effective bureaucracy and limiting corruption, all of which is of course more laborious and less glamorous than proclaiming the sovereignty of countries and holding elections. The January 2004 edition of the journal *International Affairs* shows that a culture of self-restraint is crucial to the performance of a newly established country. This includes, *inter alia*, hard work, sizeable savings and non-violent practices, all of which are products of deeply rooted cultural conditioning and difficult to change by a foreign power.

Finally, economic reconstruction is a frequent misnomer, e.g. in the cases of Somalia and Afghanistan, where economic structures have been dysfunctional for some time and where the economy needs to be built from destruction and chaos caused by corrupt regimes and military interventions alike. There is a statistically significant correlation between nation-building and economic reconstruction. Afghanistan fails this test, since the opium trade has resurged in 27 provinces, as compared with less than 18 provinces in 1999 under the Taliban. Similarly, economic structures and political system are closely intertwined, in the sense that oil-based economies tend to be either merely electoral democracies or plutocracies or even authoritarian regimes, while constitutional liberal democracies tend to have a more diversified economy or become uni-sectoral economies after democratising, e.g. Norway and Britain were liberal democracies before becoming oil-based economies.

A number of conclusions arise for Iraq. First, there needs to be a long-term commitment instead of a short-term obsession with electoral politics. Secondly, there is an acute lack of troops and police, or else existing troops would have to withdraw rapidly. Thirdly, as in Afghanistan, Iraq is being starved of resources necessary for the reconstruction of the basic infrastructure. All in all, the USA has manifestly failed to learn the lessons from successful and unsuccessful cases of nation-building and is both repeating old and committing new mistakes that harm not only its credibility but above all the populations in question.

4. Globalisation and the emergence of a global civil society

In his two presentations on civil society, Vukasin Pavlovic spoke of three traditions of civil society:

(a) the tradition of Renaissance Italy, which acted as a bridge between the Roman republican ideal and practice and the emerging Europe
(b) the continental European tradition of civic association based on guilds in conjunction with the prerogatives of the central state
(c) the Anglo-American tradition of individual freedom and rights enshrined in a constitution and enacted within a wide array of communities that coexist

Common to these three traditions are three preconditions for the emergence of both a national and a global civil society. First, a certain kind of state; secondly, forms of civic associations and, finally, the existence of a public sphere (including the media). Among the leading thinkers of civil society there were Hobbes, Locke, Paine and Hegel, and their projects were in many senses taken forward by J. S. Mill and Alexis de Tocqueville. More recently, there have been a number of innovations, e.g. Gramsci's idea of domination within the state and hegemony within the civil society, the rise of 'old' and 'new' social movements, the evolution of the public sphere (Jürgen Habermas, John Rawls, etc.) and also cultural innovation. In many respects, civil society is seen from very different perspectives as a kind of oxygen for the state and democratic institutions.

There is an ongoing controversy on the reality, meaning and implications of any national and possibly global civil society. Global civil society is new insofar as it breaks out of the logic of national states and is part of a wider framework of supranational norms and practices. But frequently members and institutions pertaining to the civil society develop at the level of national states and are in many ways a response to national crises of representation (D. Chandler). Two approaches can be distinguished: first, the empiricist-constructivist approach based on actual, 'real-life' politics by the members of a civil society; but it is questionable whether campaigners and networks have a greater impact than small national states; secondly, the normative approach based on the power of ideas; but it is equally questionable whether ideas-based politics does not run the risk of becoming detached from domestic politics. Excessive emphasis and reliance on the civil society as a response to the crisis of legitimacy may lapse into one of two undesirable outcomes: mere advocacy politics or exclusively individualistic politics. Either way, the civil society raises questions about the nature of politics, state power vis-à-vis the individual citizen and global economic forces, political participation and the sources of political legitimacy (D. Chandler).

There was a vivid debate on the nature of the differences between the civil society in Western and Eastern Europe. Broadly speaking, civil society institutions in the West and in the East

can be distinguished as follows: civic activism *vs*. entrepreneurship; trans-national *vs*. national outlook, encompassing and independent *vs*. local and donor-driven. However, this is but a typology that does not of course give a full account of the reality of the civil society in Europe. The debate also focused on whether terrorism and organised crime can ever be said to be part of the civil society. Some argued that it depends on whether they are armed and whether their sole objective is regime change, while others argued that both are outside the civil society as a result of breaking the law. Another aspect of the discussions was the formal and the informal character of civil society institutions and practices – the informality of trust, norms and networks in opposition to the formality of the law and established organisations.

5. Globalisation, democracy and the development of international law

Vojislav Stanovcic (Professor, Serbian Academy of Sciences and Arts) defined democracy in terms of constitutionality and the rule of law. Both ideas (or ideals) can be traced back to ancient Greek philosophy (Plato and Aristotle) and Roman thought (Cicero). The rule of law acts as a constraint on political power by conferring fundamental rights onto all citizens. However, the universalisation or extension of legal provisions is of the biggest difficulties, as is evident from many attempted transitions from autocracy to democracy. But democratic change is not synonymous with the rule of law, because a *Rechtsstaat*, which is a legalistic concept, can exist without genuine democracy (e.g. the Austro-Hungarian Empire). Equally, democracy and authoritarianism are not diametrically opposed, in the sense that a party state can come close to absolute power and, according to both Plato and Lord Acton, 'absolute power corrupts absolutely'. The ideal of the separation of power has only rarely been realised in the course of history, as democratic revolutions have frequently produced new forms of totalitarianism, including the French Revolution. Creating checks and balances remains a key challenge in all models of democracy, not least because, as both Hegel and Mill remarked, majority rule can turn into a tyranny of the majority, a sort of 'mob-ocracy' (i.e. the rule of the mob). The continual difficulties to democratise political systems also apply to the global level, which cannot be based on any national interests but only on genuine global common interests (cf. Jean Leca). In this sense, the UN is a first step, but it is neither new (the ideal was already present in thinkers like Dante and Kant) nor perfect.

In his second presentation, Vojislav Stanovcic sketched an account of the evolution of minority rights in the process of globalisation. He outlined three key problems. First, whether to define minorities in terms of ethnic or national identity. Secondly, how to protect minorities. Finally, what model of democracy and the rule of law are most appropriate to produce something like peaceful co-existence between a national majority and minorities. In response to the first problem, he argued that there cannot be one single solution because different minorities define themselves differently, either in ethnic terms, in religious terms or in national terms. Coupled with the number of minorities, this dispels the myth of homogeneous nation-states, as there are only 14 mono-ethnic states in the world, perhaps only 10, where only 0.5% of the total world population live. In other words, 99.5% of the world population live in multi-ethnic, multi-religious and multi-national settings. In response to the second problem, he said that over time there have been very different approaches to the protection of minorities, from the right to secession to the creation of a special status within existing nations. In the wake of the Second World War, the predominant measure was to protect individuals as bearers of inalienable rights, but since the end of the Cold War there have been attempts to formulate collective rights. This has coincided with a revival of ethnic

identification (cf. Anthony Smith) and the rise of secessionist movements, over 760 since 1991 according to the US Institute of Peace. In response to the third problem, he mentioned a number of different models, e.g. consociationalism, decentralisation, autonomy and the promotion of cultural identities, etc. One of the major obstacles to peaceful coexistence is the question of natural resources and who has control over them, as evinced by cases as diverse as Katanga, Chechnya, etc. There is also doubt over the capacity of supranational organisations like the EU to grant and protect collective rights, without naming them as such in the constitutional treaty.

The discussions that followed these presentations focused on how to combine individual and collective rights within the framework of the national state and the process of globalisation that seems to favour supranational norms and practices, e.g. human rights. There was also a debate on the relative merits of federalism and consociationalism, and the possible effects on state union. Some argued that federalism is a more effective means of securing and protecting state union, while others argued that it can be unworkable and will lead to secessionism and break-up, e.g. in the case of Yugoslavia. Others remarked that there are many countries which continue to prohibit the creation of political parties on the sole basis of ethnicity, e.g. Bulgaria and Turkey. The discussions also featured the role of EU accession and whether EU conditionality is helpful to minorities.

II. The EU and globalisation

1. Some aspects of the history of European integration process

In his presentation, Armand Clesse (Director, Luxembourg Institute for European and International Studies) submitted that the European integration process has been marred by successive failures since the 1950s. While the Resistance movements in the 1940s and some figures in the early 1950s devised a supranational federal project, since the mid-1950s there have been a series of decisions against an ambitious visionary Europe. The single most important of these decisions was about 50 years ago, on 30 August 1954, when the European Defence Community failed as a result of France's insistence on national sovereignty and the British refusal to consider joining. Subsequently, Germany was admitted into NATO and the WEU was created to quell German aspirations in Europe. And since then there have not been projects of equal or similar ambition. To be sure, the economic dimension of European integration has fully developed, from the European Coal and Steel Community (ECSC) and the European Economic Community (EEC) with, among others, its common agriculture policy (CAP), structural and regional cohesion funds, the common market and finally the common currency. However, there is a clear gap or discrepancy between the economic and the political achievements.

This basic predicament of the EU raises a series of fundamental questions. What is a community or a union? Is the EU a political union *sui generis*? Could it ever become a political union? Is the gap or discrepancy between the economic and the political integration process viable in the long-run? Does the EU need a common foreign, security and defence policy? Could – or should – the EU aspire to acquiring a stronger identity in Europe and in the world? What sort of entity could or should the EU become? Should the EU develop more common capabilities, more common policies or more common institutions? How to measure

the success or failure of the European integration process (especially in the possible absence of benchmarks and finalities)? What have the achievements been? Have opportunities been lost? If so, which? Would more integration have been desirable and feasible? Has the EU clearly defined aims (e.g. 'ever-closer union')? Do nation-states have such aims? Does the EU need to solve the question of 'who does what' (i.e. subsidiarity) before it can hope to escape from the current impasse? Would the UK or France ever be prepared to relinquish sovereignty? Would smaller states, whether those with a tradition of neutrality (Scandinavia, Austria) or new-comers like Poland?

Does the EU face the following basic predicament, dilemma or aporia: would it be better to consolidate the current state of affairs or build something stronger at the same time as enlarging? Which approach to adopt, a gradual, incremental approach or an ambitious vision? Would a wider or a smaller Union have to be more integrated? Which factors determine integration? What is the direction of current reforms of institutions and policy-making processes as part of the proposed Constitutional Treaty? Are the reforms sufficient with view to the numerous economic, social, geo-political and strategic challenges ahead? Is there a lack of theoretical underpinnings in the current political and policy-making processes? Is there also a lack of in-depth thinking about the foundations and assumptions of the current model of integration? What happened to the idealism of the 1940s and early 1950s? Why did it decline and is it desirable and feasible to rekindle it? Are expectations of the EU no longer high but 'down-to-earth', practical and material, both in the long-standing member-states, the new member-states and the candidate countries? Is not the absence of 'high ideas' both sober and sobering? Is there a phenomenon that can be termed Euro-fatigue? Might the integration process derail and might the EU become a large free-trade area?

In the discussion, more questions were raised. How does the EU affect daily life, both in member-states and in candidate countries? Is the impact excessively bureaucratic and regulatory, reducing freedom through standardisation? Do the constitutional or federal view (based on values and visions) *vs*. functionalist view (based on contingent needs and interests) translate into equally opposed policies and practices? Is a fundamental debate with radical solutions still available to the EU? Given the current divergent trends, is it still possible to devise a coherent constitution? Is the EU in disarray? How to operationalise the workings and, more fundamentally, how to prevent the centrifugal forces from prevailing? Is the constitution sufficient? How to reform the European Commission, Council and Parliament beyond the proposals in the constitutional treaty?

Some participants advocated a big-bang decision instead of an incremental approach to enlargement, arguing that an immediate enlargement to 40 or more member-states would not only prevent the humiliation of candidate and non-candidate countries but also secure peace and security in the EU's 'new neighbourhood'. Others contended that such a move would jeopardise the very existence of the EU and that it would spell the end of the EU as we know it. There were also discussions about whether and to what extent the European integration process is elite-driven. Other points of disagreement were the role of small(er) states and the significance of granting disproportionately important voting weights to both Poland and Spain in the Nice Treaty, thereby favouring middle-size member-states at the expense of both the small and the big member-states. There was also a lot of scepticism as to whether the current compromise of double majority will work over time. Is there not a higher probability in the future of deploying the national veto or of forming blocking minorities? Does 'flexible integration' (e.g. the 'closer cooperation' clauses) provide an opt-out for the reluctant

member-states or is it pre-emptive of any genuine integration? In terms of the three key areas (EMU, Schengen agreement and ESDP), will there be catching-up by opt-outs of the 'pioneer group' or a permanent divide between a core and a periphery?

2. Identity and ideology in Europe

According to Christopher Coker (Professor, London School of Economics and Political Science), the predominant writing and thinking on notions of 'European identity' is mistaken and misguided, whether it is the talk of a common Europeaness or the rhetoric on the 'old' and the 'new' Europe. This is because it fails to appreciate that the European identity is an academic construct, not a reality in the minds of the Europeans, and that the divide between the East and the West is not a product of the Cold War but occurred in fact 300 years earlier, after 1648. The Enlightenment that developed in response to the Thirty-Year War never extended to the East. For Hegel, the Poles are a people without a history, in the sense that they participated in the liberation of Vienna from the Turks but were subsequently separated from the universal history of the West. The forces battling for the soul of the European culture and for abstract principles that might define a common European integration did so at crucial moments in history (1648, 1848, 1948), but the East was largely excluded from the concept and the practices of modernity. So much so that in the wake of the Cold War, Vaclav Havel spoke of the 'poetic charm' of NATO membership. The key challenge that will decide over the emergence or not of a European identity is whether Western Europe will allow that part of Europe which it has exorcised for 300 years to play a role.

There are three distinct scenarios for Central and Eastern Europe. If Central and Eastern Europe are different from the Western part, then either their natural ally might well be Russia (Slavonic culture and music, e.g. Bela Bartok, i.e. Eurasia). Or Central and Eastern could ignore the divide, devalue their own culture and simply portray themselves as a product of the West: after all, Croatia is closer to Paris than Vienna and Prague. Or Central and Eastern Europe is the 'virtual Europe' (Havel and Georgi), in-between empires with only a locally specific culture (e.g. Prague and Budapest). Whichever option the 'new Europe' chooses, culture will matter; as Franz Kafka noted that there is a mysterious consolation of small states in culture, whereas big states revel in power.

Equally, Central and Eastern Europe could make three distinctive contributions to the wider European debate. First of all, a strange voice, the voice of history, which means little to Western Europe now (with but a few exceptions): the EU is concerned with the present and the future, while the East stands for the agency of past in the present. Secondly, the language of philosophy and metaphysics: for Havel, European-ness is about a metaphysically grounded sense of responsibility. The West is nowadays a very un-metaphysical people. Finally, the concept of hope, contrasted with cynicism in the West. So there is a 'new' Europe, but it wants to join for the first time in 300 years, rather than form a transatlantic alliance.

If there is any real divide in Europe, it is between the North and the South. Following a lecture by Albert Camus in 1937, Christopher Coker argued that there is a different cultural style: the North is aggressively protestant, puritan and obsessed with sin, while the South is cosmopolitan, religiously diverse and irritated by 'orthodox' certainties of the North (whether Fascism or Communism). In short, the uniformity in the North contrasts sharply with the diversity in the South. The first battle took place in Spain and was lost, underscoring the difference of religion, which in the North has by now been wholly politicised, while in the

South continues to denote the redemption of mankind. Today, the South is in some sense in the North, in the form of Muslim immigration in most Northern countries, which constitutes the second kind of division today. The third division is the transatlantic divide, between those who are still loyal to the USA and those who are less so. The crucial difference, according to Christopher Coker, is the difference between values and norms. While the values in the USA and in Europe are largely the same, politics has translated those same values into very different norms. For instance, there are real differences in terms of belief and practice regarding the use of military force, the operation of capitalism and the meaning of social-democracy.

Asked about whether enlargement does not mark the end of the original European project and how the absence of goals will affect the future of Europe, Christopher Coker responded that random mutations could well be the driving force of change in Europe. He also submitted that the EU is not a hegemonic power in the same way as the USA, but instead a kind of empire: it has power structures that can dig into society which it wants to determine. For instance, the 'new neighbourhood' is like the Roman 'near abroad'; the *acquis communautaire* is like the Roman civil law and European-ness is a set of values like *romanitas*. In other words, the European identity is a function of geography, but network-centric state (trade, finance, intellectuals….) with a developing culture. Finally, there were questions about the present and future of the transatlantic rift since the war in Iraq. Christopher Coker argued that Islam is the new challenge because it is the most vibrant religion in Europe. The predominant form of Islam will arise from the mosques, not the shrine; in other words a more puritanical theology is likely to come out of the mosques in Europe. In a pluralist context like that of the EU, there could either be fundamentalism or moderation. In this precise sense, the future of Islam is being determined in Europe (if not by Europe).

In his second presentation, Christopher Coker gave an account of the status and meaning of ideology in Europe. Three concepts are critical to ideology. First of all, agency through ideas; secondly, nationalism as the main reference for identity; finally, the terms of modernity in relation to history. While there are rival positions on history *per se* ('history has no end', the 'end of history'), ideology is a historically circumscribed term that goes back to the mid-eighteenth century and which is truly unique to modernity. However, three recent trends jeopardise the survival of ideology. First, the belief that human agency is the sole or best path to progress is in decline. Secondly, the invention of 'objective criminality', i.e. exterminating those who are in the way of progress on grounds of being less than human, e.g. Bin Laden's view that the USA is a people and nation of 'objective criminals' and can therefore be persecuted in accordance with the Koran. Thirdly, a move away from the spirit to the body: while during the Cold War the motto 'better dead than red' was couched in idealistic (or ideational) terms, today the body is at the centre of ideology, whether ethnic cleansing, humanitarian interventions or genetic manipulation. What we are seeing is a new kind of biological determinism, e.g. the US prison regime with more than 2 million inmates, where rehabilitation has been replaced by indefinite detention, tagging and 'ghetto-isation'. In short, the centrality of the body entails something like a widespread practice of quarantine, because recidivism is taken to have genetic origins. The German philosopher Jürgen Habermas has termed this phenomenon the instrumentalisation of the body by genetic manipulation.

According to Christopher Coker, one of the few forces that still believes in the spirit as opposed to the body is Islam. There are at least two Islamic regimes that abhor and are offended by human weakness – Iran and the Taliban. What is more, the UN Charter of 1948

has never been signed by Saudi Arabia on the grounds that one cannot cease to be Muslim. Religious fundamentalism is of course not confined to Islam but is also on the rise in Western societies and on distinctly Western terms. The USA is one of the most religious and fanatic cultures which has a strong 'indigenous creed' (Samuel Huntington), i.e. combining religion with modernity. There are at least three problems with the current forms of fundamentalism. First of all, it is reactionary in the sense of believing in the 'will to power', unlike (post)-moderns who believe in materialism. In other words, fundamentalists do believe not only in technology but also in human agency, which is a rebuke to materialism. Secondly, a fascination with death, according to the motto "every good life is owed a good death". Whereas we (post-)moderns fear death, especially now that we are living in a risk society (Beck) and are in a permanent state of anxiety. Thirdly, a rejection of democracy, the "sum of all traditions" (G. K. Chesterton), which celebrates difference and diversity. So in conclusion, the renewed interest in and importance of ideology is neither captured by the 'war on terror' nor the 'clash of civilisation'. This is because today there is only one global civilisation with many cultural variants. Moreover, the defining category will be globalisation, not class. There are strong similarities with the nineteenth and the twentieth century, in the sense that it is dependent on technology. But there are also differences, e.g. anti-globalisation, the socialism of the twenty-first century (Manuel Castells), is a classless movement, 'for the poor, but not of the poor'. Finally, private wealth is no longer incompatible with secular charity. In fact, the new ideology is consumerism, which started in 1958 when Chrushev warned the US of burying the Soviet Union with consumer goods and which culminated provisionally in 1989, the first consumer revolution in history. However, if and when consumerism becomes a philosophy, it is problematic, just like absolute poverty is absolutely corrupting.

3. Globalisation, anti-globalisation and the EU as an alternative socio-economic model

Adrian Pabst (Researcher, University of Cambridge) argued that the current set of logics that structure EU enlargement and integration enshrines the primacy of economics over politics, which precludes the emergence of any genuine pan-European political and cultural project. The primacy of economics over politics is the result of the rise to power in the late 1970s and 1980s of the neo-liberal ideology that has since hijacked the operation of the EU and its member states. The inability and unwillingness to commit to a truly European economic and monetary union with a concomitant political project in the 1970s eventually sealed the deviation from a pattern of integration and enlargement driven by politics to a pattern driven by primarily economic considerations. The Single European Act of 1986 and the Maastricht Treaty of 1992 reinforced this tendency by privileging an economic logic over common political vision. Whatever euphemism is applied ("multi-speed" or "flexible integration"), the fact is that commonality has given way to a Europe *à la carte*, a sort of "pick-and-choose" which substitutes *ad hoc* piecemeal cooperation for a political vision.

According to this view, the EMU and the Eurozone are perhaps the most poignant example of this trend: heralded as visionary and ambitious, the Euro is now in danger of becoming a Trojan Horse at the heart of the European House. It has divided the EU into "first-class" and "second-class" member states and has created an institutional nightmare. What is more, it has also enshrined a certain economic model which is locking in the EU on a permanently lower growth trajectory, persistently high and increasingly long-term unemployment (and

underemployment) and a shortage of savings and investment, putting national social security beyond the means of many EU member-states. The point is that a certain national economic policy has been proclaimed as the sole economic dogma available to the member states of the Eurozone – neo-liberalism.

At the same time as stifling economic policy autonomy – the sole target of monetary policy is price stability while the "Stability and Growth Pact" has imposed a fiscal straightjacket –, neo-liberalism has contributed to a situation which, if anything, calls for more such autonomy, not less. This is because, since the advent of neo-liberalism, there has been higher volatility and lower productive investment, lower growth and higher income inequality. The kind of liberalisation and deregulation prescribed by neo-liberalism has certainly increased the total volume of capital and perhaps improved resource allocation efficiency, but the ensuing lack of regulation and taxation has also entailed more volatile capital and lower productive investment, as unfettered global capital – in search of the highest profit margins – turns to short-term speculation, rather than to medium-to-long-term productive investment. The empirical evidence is overwhelming: whereas before 1973, the ratio of productive to speculative capital was 9 to 1, the same ratio was inversed by 1995, i.e. 90% of global capital became speculative. The economic impact is compounded by the fact that nowadays approximately 60% of global capital is offshore, i.e. escapes all forms of taxation. In short, capital is more volatile and more speculative, less productive and less taxed.

Adrian Pabst also argued that more unfettered capital has produced lower growth and higher inequality. Income growth rates have tumbled after the triumph of neo-liberalism, i.e. from 3.1% in the "developed" countries in the period 1950/60-1973/80 to 1.4% since 1973/1980. The stagnation and recession since 2001 will further reduce average growth rates. So, on the whole, the neo-liberal era has so far been one of low and falling growth. It is true that since the inception of neo-liberalism country-by-country growth rates have varied significantly, e.g. the USA and the UK have done better than, say, France and Germany. However, those countries that have experienced higher growth also exhibit considerably higher and continuously growing levels of inequality, precisely the USA and the UK. In other words, since the neo-liberal take-over, growth has fallen as inequality has risen. The causes for individual, sectoral, regional, national and global divergence both in relative and in absolute terms are identical: the application of a 'one-size-fits-all' model, the so-called "Washington Consensus", for different sectors, regions and countries with **equally different needs.**

In turn, lower productive investment has entailed and continues to generate lower growth and higher inequality, undermining the very foundations of all European economies – stability, investment, growth and income convergence. The absence of stability and lack of investment prevent market-driven income generation through job creation and put the state under the double strain of lower revenue and higher expenditure. Welfare cuts reduce income and stifle consumption, denying the economy any stimulation in the absence of expansionist monetary and/or counter-cyclical fiscal policy. Neo-liberalism marks a total economic impasse; it has failed on its own political terms and is collapsing under the weight of its inner contradictions. Rather than equality of opportunities, there are now many opportunities for the few, and few opportunities for the many. As long as the EU does not configure a different economic model, it will be increasingly difficult to preserve some of the *social acquis*. The European welfare, no matter of which tradition (Scandinavian, *modèle rhénan* or Anglo-Saxon) has been progressively dismantled and will not be extended to the new EU member-states. In short, the

EU does not (as yet) have a political project capable of challenging the economic diktat it itself helps to sustain.

In the discussion, there were questions about the actual impact of neo-liberalism and the demise of the old welfarist model that is both economically inefficient and socially patronising. Some students were sceptical about the possibilities of enacting an alternative to the prevailing global economic model, while others defended the market economy in its present configuration and argued that only an extension of the market mechanisms would offer the societies of the Western Balkans genuine opportunities. One argument in favour of neo-liberal reforms is that they are the precondition for market access, which is vital to all the Balkan countries. While there was wide agreement on the necessity of reforming the state, there was equally wide disagreement on how to configure the market and the relation between the state, the market and civil society.

4. The finality and prospect of the European project

According to Armand Clesse, the finality and prospect of the European project raises the question of whether the EU is a global power and what kind of actor in world politics it is. Answers to these questions depend on how the world will look like in the next 20-50 years. In turn, this depends on what the USA will become: an empire *sui generis* or a superpower in decline? A plutocracy rather than a democracy? Will it expand or decline and, if so, when? In 2010 or in 2020? This is in part a function of whether neo-conservatism is thought to be in ascendancy or in retreat – after the creation and extension of an imperial hubris, are the USA now experiencing an 'imperial overstretch'? Or is it a 'banal' over-stretch (i.e. in terms of the economy, manpower)? In what sense and to what extent does Europe represent an alternative societal model, which might respond to the primary hopes of the European peoples? This question requires a definition of who belongs to Europe and what Europe stands for.

Economically, EU member-states will be on average much poorer in future, which is a choice, not a necessity, in the sense that the EU has opted for an economic model generative of low growth and high inequality. The referenda on the EU constitutional treaty might be a prominent opportunity to voice disaffection. Socially, the current programmes of 'structural reforms' are causing agony, as people accustomed to generous benefits will be left with a minimum. To be sure, the EU stands for minimum standards, which is a kind of underlying philosophy and moral imperative; yet at the same time, this expression of a social-democratic consensus is weakening. This, in turn, causes fundamental political repercussions, e.g. the emergence and consolidation of rightist, nationalist, populist movements and the intensification of xenophobia, even though immigration is needed and has been curbed significantly. Overall, the demographic trends are negative, which will issue forth into an ageing, perhaps even static population that can no longer afford a welfare state. In contrast, the Anglo-Saxon model does not ensure minimum standards, has a strong population growth (25-30% for the USA until 2020). What both have in common is the ticking social security and health care bomb, especially the pension bomb. The EU lacks honesty about the demographic and economic trends and engages in deception and self-deception.

But, on Armand Clesse's account, there are more fundamental conceptual issues. For instance, are the Nice and/or the constitutional treaty sufficient to adapt the EU to the changes induced by enlargement and the challenges posed by the international system? Are they not mere cosmetic changes, of an incremental level and with marginal implications, whereas the threats

to the EU as we know it are existential? Talk of institutional and political reforms misses the deep crisis, when what is needed is a fundamental rethinking of the project as a whole. Is there not the risk that the single discourse of the past is being replaced by a new equally single discourse, whereas intellectual and academic discourse is about profound and continuous questioning, leaving no certainties unturned? In this sense, EU enlargement should not be a benign takeover of Central and Eastern Europe, and intellectual and moral surrender of and in Central and Eastern Europe must be resisted. In terms of genuinely alternatives, the question is whether Europe can invent at least new intellectual, spiritual and ethical discourse. Who could and who should bring about change within the EU?

III. The Western Balkans and globalisation

1. The predicament of the Western Balkans as a whole

A number of presentations emphasised the double challenge facing the Western Balkans in its entirety – the transition from planned to market economy and the impact and adaptation in the process of globalisation (Vusina Vasovic [Professor, Faculty of Political Science, Belgrade University], Zagorka Golubovic [Professor emeritus, Faculty of Philosophy, Belgrade University], Miroslav Pecujlic). Radmila Nakarada (Professor, Institute for European Studies, Belgrade) argued that neo-liberal shock therapy was not confined to economics but included large-scale social engineering, annulling a host of traditions, evolutions and structural features and replacing them with nothing but use-value exchange. Globalisation and transition impact externally and internally, drafting in new sections of society into the elite while excluding or marginalizing others. The internal polarisation of the Balkans countries is exacerbated by outside actions, whether the creation of *de facto* protectorates policed by the West or the signing of *de iure* bilateral agreements with the USA regarding the immunity of US military personnel vis-à-vis the International Criminal Court (ICC). What is missing from the model promoted by the West is a strong social component that gives expression to the rhetoric about social justice and the common good. In a social-democratic revamp of globalisation (e.g. the works of David Held), regional cooperation is critical as an instrument of empowerment.

More specifically, with respect to the EU and future of the Balkans, Predrag Simic (Professor, Faculty of Political Science, Belgrade University; Director of the Diplomatic Academy) defended the idea that Eastern enlargement has created a 'new' Europe, not in the sense intended by Donald Rumsfeld, but in terms of socio-economic and cultural structures of the 10 newcomers. These differences will persist unless and until there will be convergence via aid and investment. What tends to be forgotten or neglected in the West at large is the 'Third Europe' (*tiers Europe*), a 'European third world', beyond the periphery, which is euphemistically termed 'South-East Europe'. This part of Europe is the last part without any realistic perspective of accession, let alone genuine integration. Far from being 'mere' structural problems, the main obstacle is Western perception coupled with responses in the countries in question. 'South-East Europe' or 'the Balkans' are Western constructs void of any reality; instead history has bequeathed many deep dividing lines across this part of Europe. The divisions during the Cold War and in its wake follow a long succession of divisions and schisms since at least the emergence of the Byzantium. The 1945 Potsdam agreement laid down the basis for the *de facto* carving-up of the Balkans: two countries became members of the Warsaw Pact (Romania and Bulgaria); two countries joined NATO

(Greece and Turkey) and two countries were in-between the antagonistic blocs (Yugoslavia and Albania).

Today, actual or prospective NATO and EU membership has a similarly divisive effect. As a result, the 'Third Europe' is the poorest and least developed part of Europe, which has been undergoing a relative and absolute decline since the 1960s and 1970s and is experiencing acute under-development. The Hague Tribunal, the Kosovo war and its aftermath have only exacerbated the sense and reality of marginalisation. The transition to democracy and market economy is hampered by widespread corruption in politics, business and the media and the rise of organised crime that pervades society as a whole (especially drug, arms and people trafficking). The EU does not facilitate any process of convergence, as late-comers pay a high price in the form of an ever-increasing *acquis communautaire* – a moving target, which makes accession an ever-more distant perspective.

The discussion focused on whether alleged criminals like Mladic and Karadjic are internal or external 'problems' and whether any outside country has any legitimacy in intervening in the Balkans. It was also said that the model of a multi-ethnic federation has failed and will not be resurrected; instead, more regional and ethnic conflicts might erupt, not only in Kosovo, Albania and Macedonia, but also in Vojvodina.

2. Globalisation, democracy and individual countries on the Balkans

A. Bosnia

In his presentation, David Chandler expounded the theses of his book *Faking democracy in Bosnia*. The thrust of his argument is that the West has failed to engage with the empirical complexities of Bosnia and that it has promoted a model rigged with theoretical contradictions, in such a way that the failure of state-building is blamed on the people on the ground, not on the project. This is because the West has attempted to impose some sort of far-removed utopia of market democracy, instead of trying to solve concrete conflicts and implement measures aimed at the prevention of future conflicts. Against a study by the RAND corporation according to which more time and more resources are needed to stabilise Bosnia, the point is that the current policies are not right and if anything, counterproductive because on closer inspection, the problems of the societies in question are far more complex than the West admits.

However, a vacuum of alternatives restricts Bosnia's effective options to the predominant model, which can only be described as a "kingdom of the International High Representative", who has absolute powers, whether in terms of the military, policing or political and administrative appointments. This is the result of a botched 'peace agreement' at Dayton which, under the diktat of the US State Department, created the Peace Implementation Council – an *ad hoc* body of self-appointed countries that are signatory to Dayton Agreement, but not accountable to the UN. The operation of the institutions is such that Bosnia, instead of becoming a genuine democracy with multi-layered governance and real minority rights today, is neither a protectorate nor a sovereign state but under quasi absolutist rule. After the Kosovo war, Paddy Ashdown became both the head of Peace Implementation Council and the EU special High Representative, without any international legitimacy other than the *de facto* EU exercise of power, as there are no formal, contractual relations between he EU and Bosnia. Rather than helping build up an autonomous political process, the EU is applying double

standards (compared with candidate-countries) and substituting bureaucratic regulations for politics. This goes against the past practice of facilitating political transition in countries such as Greece, Portugal and Spain and amounts to a betrayal of Bosnia and the Balkans as a whole.

B. Kosovo

Ambassador Zivojin Jazic (European Centre for Peace and Development, Belgrade) explained that Kosovo cannot be understood in terms of a bilateral problem between Serbs and Kosovo Albanians but only as part of a much wider political context. First of all, the region has been conflictual over many centuries under different rule. Secondly, one of the main obstacles is the solution of the Albanian issue across the Balkans, as Albanians live in many countries outside Albania proper (Montenegro, Croatia, Macedonia and Kosovo). Thirdly, the UN Charter prohibits the re-drawing of national borders and therefore seems to preclude any kind of splitting-up of Kosovo into a Serbian and an Albanian part. This is exacerbated by Russia's refusal to change the UN Resolution 1244, which safeguards the integrity of Kosovo. Moreover, the USA has the main say both within the Contact Group and in terms of the overall military situation and has at times floated the idea of independence, which might spell a major crisis in US-Russian and US-Serbian relations. The Kosovo Albanians demand full independence. The international community envisages at most enclaves within Kosovo according to ethnic groups or to create Serb enclaves and re-attach them to Serbia. The Serbian government has only agreed to a decentralisation of Kosovo. So there is a stalemate. Even if Kosovo became independent, the conflict potential would not be reduced, let alone resolved, since the strife for unification of the various Albanian parts of the Balkans would become ever stronger. The only genuine solution lies in EU enlargement and integration, as it will in the long-run provide prosperity and stability. Any reconciliation between the Serbs and the Kosovars might only be possible as part of something like EU citizenship.

The discussion highlighted the inherent tension between territorial integrity and national self-determination. However, it was also stressed within a broader European framework, it is envisageable to pool sovereignty and to engage in trans-regional cooperation. What is more, the UN Charter is already being modified *de facto*, as peace-keeping operations and 'post-conflict' structures qualify the rigid opposition of self-determination and territorial integrity. A number of students were optimistic about the flexibility on the Serbian side to find a compromise to the question of the final status of Kosovo. Others argued that unilateral decisions still determine the outcome and that Kosovo could be independent as soon as the USA were to be prepared to recognise it and that subsequently Kosovo and Albania could form a common state as a result of a voluntary re-drawing of borders approved by referenda. Yet other contended that there will be no change in borders without the mutual consent on the part of both NATO and Russia, as the Albanians lack the power to realise a 'Greater Albania'. The question of referenda in Kosovo raises all sorts of complex questions, e.g. how to weight and prevent a diktat by the majority, which models of democracy to propose (consociational, associational, etc.) and how to determine eligibility.

C. Serbia and Montenegro

Four key questions were addressed in the course of a students' presentation on Serbia and Montenegro. First, if Serbia and Montenegro had separate EU negotiations, what would be the effect on their fragile state union? Secondly, what is the public opinion on possible NATO

membership? Thirdly, what is the public opinion on the EU accession process? Finally, what is the real weight of tourism in GDP? The tentative responses that were given were as follows. First, the union between Serbia and Montenegro in its present configuration is a state union, not a political union. At the same time, it is by no means certain that there will be a referendum on independence in Montenegro in the course of 2006. From the perspective of Serbia, there are more burning issues in relation to territorial integrity and unity, especially Kosovo and Vojvodina. It is equally unclear whether there is genuine political instability between Serbia and Montenegro, as the state union seems stable in comparison with other cases.

On the whole, there seem to be two advantages and one disadvantage of severing the state union: first, it might free the democratic potential in both parts and enable a more effective fight against corruption, *inter alia*, by attracting more foreign direct investment. The Albanian minority might support separation as to have a bigger influence on political affairs. The main disadvantage is that conjointly, Serbia and Montenegro represent a bigger market with important economies of scale, including in health care, social security and education. Secondly, in public opinion, both NATO and the EU are popular, but this rests on an acute lack of information about current practices and future exigencies with respect to the accession process and eventual membership. The main attraction of the EU is the hope of free travel, higher living standards and taking part in the 'rich man's club', but the overall political and socio-economic costs of adjustment are hardly ever thoroughly considered. Finally, in terms of tourism, there used to be now fierce competition in attracting tourists from Northern Europe, especially Germany and the Netherlands. Today, however, Serbia and Montenegro are no longer a priority destination for Northern Europeans. Instead, Serbia and Montenegro struggle with Croatia and Black Sea countries for a share of the new tourist market, namely from Central and Eastern Europe, including Russia. The factors that will determine how lucrative or destructive tourism will be are the Euro exchange evolution, the emergence of new destinations and global threats such as terrorism or pollution, etc.

Final observations

The Summer School was a very interesting and enriching opportunity for participants from the Balkans and lecturers from abroad to share experience and engage in discussions about differences in perception and assessment of globalisation and democratisation. There was a good balance of formal debate in seminars and informal conversation in a beautiful setting. The general atmosphere was convivial and propitious to exchange. The excursions to Kotor and to Dubrovnik provided a rich cultural programme and a welcome interruption of the intense rhythm.

However, the format and operation of the Summer School could be improved in several crucial respects. First of all, the programme was not sufficiently coherent and structured; there was frequent repetition of topics and perhaps too many lectures and too little discussion. What is needed is a carefully devised programme, where lectures build on one another and there is a clear progression from one set of questions to another. More specifically, it would be useful to start with some basic conceptual lectures that help sketch the contours of an analytical framework which can then be applied to a number of problems and adapted in accordance with empirical evidence.

Secondly, the diversity of style of the lectures, though desirable in itself, did not help generate a continuous debate with concrete progress; instead, a number of questions were addressed repeatedly and the debate became at times stagnant. There were also problems of communication between lecturers and participants, as a result of a series of misunderstandings, excessive reactions on both parts and a lack of genuine listening and dialogue. What this implies is the need to clarify one's own positions and to engage at the level of arguments alone, not in terms of personalities and styles.

Finally, the Summer School would be altogether more productive if there were more creative breaks, either excursions or free afternoons or a different combination of lecturers' and participants' presentations. But it also has to be said that the discipline of some participants did not match the explicit requirements of the School. Instead of 30 participants, a number of lectures in the second week only featured 10-12 participants. Perhaps a more clearly defined topic with a greater focus will enable the organisers to select participants more carefully and will lead participants to show greater diligence and assiduousness.

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