



Blue Bird – Agenda for Civil Society in South East Europe
Interim Report
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Contents

The State of Ideas

Other Progress

Events Organized since the Beginning of the Project

Financial Report

**Report of the Working Group on the Integration of the Regional Economies into the
Global Economy**

Report of the Working Group on Social Inclusion

**Report of the Working Group on the Future of the Nation States in South East
Europe**

**Report of the Working Group on How to Think About the Balkans: Culture,
Region, Identities?**

The State of Ideas

In year 2002 the policy debate on the reconstruction of South Eastern Europe has entered the stage of silent disappointment. The regional public opinion survey conducted by IDEA-Stockholm in January and February this year indicates alarmingly high levels of pessimism and mistrust in public institutions. The economic performance of the economies in the region is not impressive. The violent combination of state weakness and criminality is a permanent threat to the societies. In this context consensus grows that there is a need to re-think the policies offered to the region. There is a need for policies that are sensitive to the invisible constraints imbedded in the Balkan environment.

In the context of the search for better-informed policies Blue Bird researchers can offer already in their first year of work two sets of ideas that are particularly relevant to the current policy debate. The individual research projects are not completed and some of the ideas need a new round of discussions but nevertheless we can claim that Blue Bird has reached some exciting conclusion with respect to the conditions for sustainable economic growth in the region.

Economic Growth

Studying the economic growth perspectives in the region Mihov and Bicanic have discovered that currently there are no research results on the long-term growth prospects of Southeast European economies, which would concentrate on the regional approach or treat individual countries in comparative way. In policy terms SEE is treated as a region but in academic terms it has never been studied as a region.

A reliance on spontaneous growth/around 3% will be totally insufficient for converging SEE economies with the European mainstream. Developing growth and convergence scenarios Bicanic has shown that convergence with the EU economy is imaginable only if economies in the region could achieve at least 5% per annum growth rates over considerable period of time.

Mihov focuses his findings on clarifying how important are political constraints for economic growth. In its radical version his idea can be summarized that it is much more the structure of the decision-making than the initial policy package that will have a critical impact on the growth prospects. The more complex is the policy process (more veto points) less is the risk for fiscal volatility and better is chances for sustainable growth. The economic data analyzed by Mihov defeats the popular wisdom that an authoritarian type of modernization can be better vehicle for growth than democratic decision-making characterized by an elaborated system of check and balances.

The preliminary conclusions of the research on economic growth are that 1) transition theory does not provide promising instruments for designing policy strategy for the region. 2) designing successful growth strategy requires a combination of classical growth theory and development theory 3) long term growth in SEE will be regional in its nature.

Does Culture Matter

“Culture” has been often used as the last instance explainer for the economic and political failures in the Balkans. In its first year Blue Bird tried from different perspectives to introduce “culture” in the Balkan policy debate. A series of papers have reflected on the non-homogeneous character of the Balkan or national cultures and have put limits to the fashionable drive for generalizations with respect to the region.

In two independent empirical surveys Alina Pippidi and Gabriel Badescu have demonstrated that long duree explanations of the economic failure in the first transition decade are speculative in their nature. Badescu has demonstrated that there is no basic difference in the value orientations of Romanians that are living in the former Austro-Hungarian parts of the country and those coming from Ottoman part of the country. In her research Pippidi has shown that cultural borders drawn by Huntington are not proved by the study of the value orientations of Bulgarians, Slovaks and Romanians.

It does not mean that past does not matter it means that at present moment the past that really matters in explaining patterns of individual and collective behavior in SEE is the communist past. One of the promising ways to think about the Balkans is in the terms of Ottoman legacies. But it is the communist legacy that is more critical in policy perspective.

In his research Georgi Ganev started with the assumption that neoclassical economic models with the usual variables and assumptions of economic behavior, patterns of interactions and institutions, can explain a very small proportion of the actual variance of different processes in SEE countries in transition. In order to overcome this cultural blindness of the model Ganev has constructed an index that tries to integrate mental maps of the actors in explaining their behavior.

The survey constructed to test the index has suggested that participation in private economic activity is the driving force for increasing cooperative behavior. The results are open for interpretations but at this stage we can believe that the research has touched on the critical issue of trust building and cooperation on the Balkans.

The presented ideas and research findings are not a catalogue of findings and hypothesis that have driven the Blue Bird’s first year. But they demonstrate that there are new ideas that can matter in shaping policy solutions for SEE. The silent disappointment should be replaced by careful re-reading of what we know about the Balkans.

Other Progress

In January 2002 a meeting of all Blue Bird Coordinators was held at the Central European University in Budapest aiming on the one hand to evaluate the first year of activity of the Project, on the other hand to debate and reach agreement on the work strategy for the second year of the project, During this meeting general consensus formed around two important issues:

- The visibility of the project has to be improved. This refers not only to spreading more efficiently the products and results of the project but also to the visibility of the project as such. The project has to be able to enter the debate about the Balkans, moreover to shape this debate. The project has to become visible by being present in the fields where it can produce added value. Increasing visibility can be done by publishing/participating in local-national media and by maintaining a lively and informative website. Also an important factor in improving visibility is organizing workshops in which important arguments and ideas produced by the project can be debated. Such workshops should be designed to reach the wider public, and should be held in visible institutions.
- Throughout the first year work and communication within the project has been focused on individual research and research group cooperation. If the Blue Bird project is to work as a whole cross group cooperation has to improve, methods and terminology of the groups should be brought closer. Research groups should rather be perceived as organizational not as intellectual units, so that research cooperation, workshops can be conducted along all possible axes.

Following up on the January meeting in March 2002 a meeting of all Blue Bird members was organized. This meeting had two major aims: first to facilitate cross group cooperation, to bring together for the first time all members of the Blue Bird project, second to present to the wider public some of the results of the work done in the first year of the project. The first day of the meeting was an internal meeting of all Blue Bird researchers where the research work has been presented and discussed, points of convergence were discovered. The second day of the meeting was a public panel with the title "Is Culture the Problem of the Balkans?" The main objective of the public panel is to represent the interdisciplinary character of the Blue Bird Project to the CEU and OSI public. The panel was not an academic conference, neither was a presentation of the individual projects of the panelists. Its aim was to demonstrate how problems are formulated and discussed in the framework of the Blue Bird.

Furthermore the **Internet Site** of the Blue Bird Project has recently been redesigned and made more efficient. It is perceived to be a tool both for internal communication within the project and as a tool for improving the visibility of the project in relevant academic and policy-making communities. The URL is www.blue-bird.hu or <http://www.ceu.hu/cps/bluebird/>

Finally the Center for Policy Studies of the Central European University launches its working paper series in Spring 2002. A Blue Bird subseries will be part of it. The project plans to come out with at least three Blue Bird working papers by Fall 2002, each from a different research group, and go on to publish continuously the papers produced by its researchers.

Events Organized since the Beginning of the Project

Forthcoming Events

Balkan Exceptionalism or Theory Failure?

Unsettled matters of the democratization in Eastern Europe

Nation State Group meeting in conjunction with the
Democratization Workshop organized by the Romanian Academic Society
May 6-7, 2002
New Europe College, Bucharest

Mapping Identities

SEE Group Meeting - Conference organized by the Center for Advanced Studies, Sofia
October 19-21, 2002
Sofia, Bulgaria

State-Building Versus Nation-Building

Nation-State Group second International Workshop organized in cooperation between
Nation State Group and the CEU
November 28-30, 2002
Central European University, Budapest

Social Capital, Civil Society and Anti-corruption Policies in the Balkan Countries (tentative title)

Second International Conference organized by the Social Inclusion Group (researchers
from other groups will participate, as well)
December 1-2, 2002
Cluj, Romania

Past Events

Blue Bird Project Annual Meeting

March 8-9, 2002
Central European University, Budapest

Blue Bird Seminar Series**Is Culture the Problem of the Balkans?**

Public Panel Discussion

March 9, 2002

Central European University

Blue Bird Research Group Coordinators' Annual Meeting

January 17-18, 2002

Central European University, Budapest, Hungary,

Civil Society, Political Society and the State:

a Fresh Look at the Problems of Governance in the Balkan Region

1st International Workshop of the Working Group on The Future of the Nation States in
South Eastern Europe,

November 23-24, 2001

Split, Croatia

Economic Growth in the Balkans: Factors and Impediments

International Conference organized by the

Economic Integration Research Group of the Project

November 17-18, 2001

Istanbul, Turkey

Migration and Exclusion in Southeastern Europe

International Conference organized by the Social Inclusion Group of the project

October 3-7, 2001

International University Centre, Dubrovnik, Croatia

Launching the Blue Bird Project

March 30-31, 2001

Sofia, Bulgaria

Financial Report

Cost Centers according to donors:

C5007 - *Central European University* grant – Core Administrative Budget

C5018 - *German Ministry of Education and Science (BMBF)* grant - Economic Integration Group

C5019 – *The Bank of Sweden Tercentenary (STV)* – Social Inclusion Group

C5021 - *Stifterverband für die Deutsche Wissenschaft* grant - Social Inclusion Group

Explanation for the Use of Funds and Consequences for the Future of the Project

CEU \$ 245,000 (c. 257,000 EUR) worth donation for the overall coordination of the Blue Bird Project was transferred to the project in its entirety in January 2001. A separate cost center, C 5007, has been established within the Center for Policy Studies, in order to record the expenses related to the CEU. The main expenses in the reporting period were: grants to the academic and administrative coordinator (the latter covering also Social Inclusion group coordination); salaries for the administrative coordinator of the project and for the project assistant; costs of Sofia launching conference; a part of the costs of the Blue Bird internal website, other internet costs, and other administrative costs.

At the beginning of 2002 the three-year overall coordination budget will be revised within the CPS. It is expected that due to reductions on personal costs (salary of the administrative coordinator of the project, cutting the project assistant position) the funds would suffice in the future, beyond covering the salary of the administrative coordinator, the grant of the academic coordinator, expenses related to web site development, travel and administrative expenses and miscellaneous costs, also to cover at least partly some forthcoming workshops (especially workshops and meetings held at the CEU) and publications of the Blue Bird project.

The **BMBF** (German Ministry for Education and Research) donation supporting the Economic Integration group was EUR 99,000 for the year 2001. A separate cost center, C 5018, has been established within the Center for Policy Studies, in order to record the expenses related to the BMBF grant. The main expenses in the reporting period were: grants (composed of stipends, and mobility grants) to 5 fellows, four of which have the 'resident in the region' status, and one is 'not resident in the region'; conference costs, covering the group's share of expenses for Sofia launching Blue Bird conference, costs of the first internal meeting of the group held in Sofia, on July 13-14, 2001, and costs of the first international conference of the group “Economic Growth in the Balkans: Factors and Impediments”, organized in Istanbul on November 17-18, 2001; research assistant fees (assistants were used by three out of the five fellows); and the group's share of expenses for the Blue Bird internal website.

The surplus of the budget for 2001 is 15,342 EUR. The surplus can be justified by the relatively late start of the work of the group within the year 2001. A full working year, as 2002 is expected to be, will certainly allow for a more balanced spending of the

budgeted amount of money. From the surplus of the BMBF grant, in accordance with the agreement of the Wissenschaftskolleg zu Berlin with BMBF, the five group members' stipends for the January-February 2002 will be transferred. The remaining amount of money, EUR 6,232, will be transferred back to the BMBF.

The **Swedish Tercentenary Foundation's** donation for the Social Inclusion Group was 1,700,000 SKR (c.185,084 EUR) for the entire period of the project (2001-2003), meaning approximately 61,000 EUR for each year of activity. **Stifterverband's** donation for 2001 was 20,000 EUR. Separate cost centers, C 5019 and C 5021, respectively, have been established within the Center for Policy Studies, in order to record the expenses related to the activities of Social Inclusion group sponsored by the Swedish Tercentenary Foundation and the German Stifterverband. The main expenses in the reporting period were: grants (composed of stipends and mobility allowances) to 5 fellows, three of which have the 'resident in the region' status, and two are 'not resident in the region'; conference costs, covering the group's share of expenses for Sofia launching conference, costs of the first internal meeting of the group held in Belgrade, on July 3-5, 2001, and costs of the first international conference "Migration and Exclusion in Southeastern Europe" organized by the group in Dubrovnik between October 4-7, 2001; and the group's share of expenses for the Blue Bird internal website.

Overall costs for 2001 remained within the set up budgetary limitations. The surplus is approximately 8,000 EUR. The surplus can be justified on the on hand, as in the case of the Economic Integration group, with the late start of the work within 2001. On the other hand this group had six members, however its budget only had to cover the expenses of five group members because the expenses of the group coordinator (Arandarenko), being in the same time also the administrative coordinator of the Blue Bird Project for 2001, has been covered by the central administrative budget. In the next years of the project the expenses of all six members of the group shall be covered by the two grants.

The financial administration of the two remaining groups of the project lies with their direct donors. **Volkswagen Foundation** supports the group on Southeast European Identity, which operates under the auspices of a wider NEXUS Project with the headquarters in Sofia. Dutch **MATRA** Program and **UNDP** Regional Center support the Nation State group.

Prospects for 2002

Due to changes in the terms for sponsoring projects in the South East European region standing behind the German Ministry for Education and Research's (BMBF) sponsoring the Blue Bird project, starting with January 2002 the project lost this part of its funding (cost center C5018). The BMBF money was meant to cover the expenses of the Economic Integration Research group and its five researchers. As mentioned earlier, the BMBF, in order to facilitate the transition towards the new financial situation, allowed the project to utilize part of the funds remaining from 2001 for covering the stipends (but not the mobility allowances) of the five researchers for two more months – namely for January and February 2002.

Meanwhile, based on the assessment of the first year of activity of the project, the Social Inclusion Research Group of the project was restructured. Contracts of two researchers were not prolonged for 2002. Also a third researcher from the same group cancelled for personal reasons his full participation in the project starting with 2002. In order to maintain the continuity of the position of at least part of the researchers from the Economic Integration group the leadership of the project decided that the research group structure will be kept in research terms, but not in administrative terms. Thus the three grants that became available in the Social Inclusion group will be used to cover the stipends and mobility grants of three researchers from the Economic Integration group. The project is seeking funding for the remaining two members of the Economic Integration group.



Group Coordinator
Dr. Ilian Mihov

The Integration of the Regional Economies into the Global Economy

Progress Report for the period
March 31, 2001 – January 10, 2002*

** This is a short version of the progress report that contains individual progress reports and plans for the second year of the project. The full document has been submitted in December 2001 to the Ministry of Research of Germany as part of the requirement for funding for the second year of the project and to the Blue Bird project administrator on January 10, 2002.*

This report summarizes the work completed by the members of the **Economic Integration Group** for the period April 2002 – January 2002. In the second section the report summarizes key tasks for 2002.

The original Agenda of the group presented at the March 2001 inauguration meeting outlined five areas of research for the group:

- 1. Sustainable economic growth. The institutional setup. Institutions for economic growth.**
- 2. Monetary and financial stability.**
- 3. Implementation of economic policies.**
- 4. Integration within the region and integration with the EU.**

A group of five researchers was formed to work on these topics:

Ilian Mihov (Coordinator, INSEAD and CEPR)
Ivo Bicanic
Georgy Ganev
Gulcin Ozkan
Vladimir Gligorov

The primary research efforts over the past year were directed in the areas of economic growth (Ilian Mihov, Ivo Bicanic), financial stability (Gulcin Ozkan), fiscal policy (Vladimir Gligorov) and implementation of economic policies (Ilian Mihov, Georgy Ganev). Topics associated with regional cooperation will be taken up in 2002.

The group has met three times:

1. Inauguration meeting (March 31, 2001, Sofia).
2. Interim meeting (July 14, 2001, Sofia).
3. Project workshop (November 17-18, Istanbul).

Each one of the researchers completed a paper on the specific subject that he or she had chosen. Below are the descriptions of the individual projects as well as the plans for 2002.

Ilian Mihov

Associate Professor of Economics, INSEAD

1. Goals and motivation.

The key topic of my research is to understand the effect of political and social institutions, as well as certain social characteristics, on economic growth and macro-economic performance. On the basis of this understanding I offer various policy recommendations designed to improve the economic situation in the Balkan countries.

The project is motivated by two key observations:

(1) There is no extensive empirical study of the growth prospects in the Balkans. The econometric analysis provides the basis for any in-depth analysis of growth factors because by using statistical methods it isolates the basic forces behind growth. The results show what factors work and not what factors should work.

(2) Political and social factors are important. It is trivial to suggest an optimal policy in a model, but the political nature of the decision-making process makes issues like feasibility come to the forefront.

2. What is new in this project?

I believe that both the work conducted so far and the study I plan for the year 2002 have implications for research, science and policy-making in Southeast Europe as well as for other countries. By using a database of over seventy countries, I tease out linkages that are valid for many economies and can serve as a basis for further academic studies and novel policy analysis.

The key finding this year is the identification of how important political constraints are for economic growth and the mechanism through which these constraints affect macroeconomics. In the paper written for the *Blue Bird* project I document and discuss in detail the channel through which political constraints affect growth. Briefly, the mechanism is the following – in countries where the political process involves a plethora of checks and balances, governments are forced to exercise discretion in spending. Next, I report a strong relationship between the volatility of economic growth and the volatility of fiscal policy. Finally, there is a strong negative link between the volatility of growth and the level of economic growth. In brief, countries that have large fluctuations (often induced by discretionary fiscal policy) grow at a slower rate than stable economies. Overall, in my paper I not only isolate an empirically important role for political constraints but I also manage to identify the channel through which political constraints affect growth.

3. What will be new in the next-year project?

My project for the next year consists of two parts. First I would like to study empirically the link between **inequality and growth** by studying whether inequality was the inevitable by-product of the economic transformation in the region. The fundamental idea is based on the so-called *Kuznets curve* – economic evolution when accompanied with large structural transformations initially leads to an increase and then to a decrease in

inequality. What are the sources of the dynamics in inequality in the Balkans? Of significant importance also is the understanding of the channels through which inequality affects growth – political and social riots, redistribution, and credit constraints are among possible hypotheses. If inequality exerts influence on growth in countries similar to those of South-eastern Europe, then there is room for policy analysis and institution building that ensures the Balkan countries will not fall into a recurrent poverty trap.

In the second half of the second year project, I will study **the regional nature of growth**. Employing a methodology similar to that used in the paper this year, I will study the evidence for regional “pockets” of growth. The hypothesis is that there is a significant geographical component in growth. If this hypothesis of regional pockets of growth is correct, then from a policy perspective the key issue becomes whether we can identify regional cooperation policies that are important to sustain high growth in a group of neighboring countries.

Ivo Bićanić

Faculty of Economics, University of Zagreb, Zagreb, Croatia

Economics Department, Central European University, Budapest, Hungary

1. Completed work in 2001.

The research during the first year of the project has concentrated on three topics and data collection. The three topics have been (i) an analysis of the current level of growth factors in economies of the region, (ii) experimenting with the design of growth scenarios and their verification and testing on the Croatian economy and (iii) surveying the theoretical and empirical literature to improve the scope and methodology. The results regarding the first and partial results on the third topic were presented at the Project Workshop in Istanbul, and the results of the second topic at a conference in Croatia.

The paper presented at the workshop studies the economic factors for growth in the SEE economies. I focus only on the countries in transition from the region and compare them to other countries in transition (Poland, Hungary, the Czech republic, Estonia, Latvia, Lithuania, Slovenia, and Slovakia). The comparative approach allows me to identify key policy deficiencies in the SEE countries. On this basis I provide five policy prescriptions: (a) the need for a clear and recognizable goal from economic point of view; (b) build infrastructure for quick market entry and exit; (c) improve the technology absorption of the economy; (d) increase the efficiency of the state and its institutional capacity; (e) promote domestic savings;

2. What will be new in the next-year project?

During 2002 I will deal with three fundamental aspects of the economic growth of Southeast European economies, namely:

- (i) whether these economies are converging with the EU growth path or into a convergence club of their own, and in the latter case, what are the relationships of these two paths;

- (ii) to analyse the presence of growth factors recognized in the literature in the region and to what extent their changes in the medium term can act as a barrier or stimulus for future growth;
- (iii) what basis for a successful growth supporting policy can be provided on the basis of current secular growth trends and changes in growth factors.

As can be seen, the first two are a theoretical and empirical analysis, but the third one is policy-oriented. Of course a serious contribution in the third is impossible without deriving reliable results from the first two.

These central research topics will be treated by concentrating on five subtopics. During the second year of the project I plan to concentrate on five general growth-related topics. They have been chosen both with regard to the relevance of the region of Southeast Europe as well as with regard to ongoing research in the field. The five topics are:

1. Growth factors in Southeast European economies, which would continue the work from the first year and produce a comprehensive analysis of the state and medium-term change of eight growth factors recognized in the literature.
2. Design of growth and convergence scenarios for Southeast European economies, applying the developed growth scenarios to other Southeast European economies and thereby determining the medium-term growth and indicating in which areas a successful growth-supporting policy should concentrate on.
3. The interrelationship of growth and development issues in Southeast European economies, this topic going beyond standard growth theory and dealing with the institution-building, institution capacity and social capital issues in the light of the region's economic history (and failed convergence and growth generation) and demands for future growth.
4. Economic inequality and economic growth determine the interrelationship of these variables in Southeast European economies, found to be stronger in some economies and weaker in others; with economic inequality increasing uncontrollably, it may have significant growth effects.
5. The technology absorption capacity of Southeast European economies. Recent literature has pointed to the importance of technology absorption as an important source of convergence, so the research will measure the absorption capacity of Southeast European economies and determine its contribution to other growth and its possible use in growth-promoting policies.

F Gulcin Ozkan

University of York, UK

1. On the work carried out in 2001.

The research I have carried out so far has explored the underlying causes of the financial and currency crises experienced by Turkey in November 2000 and February 2001. At the end of 1999 Turkey embarked on an ambitious stabilization program backed by the IMF. Central to the stabilization program were: strong exchange rate commitment, tight monetary control, a large fiscal adjustment to eliminate inflationary pressures and a range of structural measures to liberalize the economy. The purpose of the work I carried out in the first phase of the project was to analyze the underlying causes of these recent crises in Turkey by utilizing the findings and predictions of the recent literature on currency and financial crises.

Our results highlight the importance of the following in triggering the financial crises and bringing about the collapse of the Turkish Lira; the weak fiscal position resulting from the record levels of interest payments on domestic borrowing, the weak external position caused by the loss of competitiveness on the face of the tight exchange rate commitment and inflation rates that still sailed much above the target devaluation rates, the weaknesses in the financial especially banking sector as well as the political uncertainty and failure to carry out the necessary reforms. Following from these observations it is possible to argue that the Turkish crises entailed features of all three generation of crisis models.

Such negative shocks, which were experienced by a large number of ‘emerging’ countries during the 1990s, have been one of the major impediments for growth in the majority of these countries. Therefore, we view it to be crucial to an understanding of the sources of risks for such breakdowns in the functioning of currency and financial markets.

2. The work to be done in 2002

Building upon this piece of research, in the next phase we will attempt to analyze the scope for regional spillovers among the SEE countries in order to judge the potential for regional integration as well as the extent of potential contagion among these countries. Until recently the major channel of spillovers between countries had been thought to be through trade links. As a result, most of the existing literature focuses almost exclusively on these. However, with the globalization of capital flows financial links between countries gained ever greater importance. Hence, we will attempt to measure both trade and financial links between SEE economies.

The main questions we will attempt to answer in this section are the following. Are there countries that are heavily exposed in more than one country in the region? Are there countries in the region that heavily rely on borrowing from a particular country? Are the

countries in the region represented in some mutual fund portfolios? Are there co-movements in the asset returns? Are exchange rate pairs between countries highly correlated? Are interest rates highly correlated?

Another aspect of spillovers between countries that may matter less for contagion but may be crucial for the growth potential is the foreign direct investment flows. Balasubramanyam and Corless (2001) provide evidence that reveals that the level of FDI in Turkey and other Balkan countries is considerably less than in other developing countries. One of the important issues regarding the potential for FDI in SEEs is whether these countries are competing for the same type of FDI. If this is the case, the success on the part of a particular country could only divert the FDI flows from going into another (other) country (ies) in the region. That is, it would be a zero-sum-game from the viewpoint of the region as a whole. Therefore, our aim in this part of the analysis is to study the structure of the FDI into the region and to identify whether that is the case, and if so, then to see which sectors are more vulnerable. It is also very important to understand the reasons for such low levels of FDI into the region. This would help produce policy prescriptions towards promoting such direct investment flows, which are arguably one of the most important sources of growth for transitional and developing countries.

Georgy Ganev

Centre for Liberal Strategies, Sofia / Bulgaria

1. Completed work in 2001.

In my individual research proposal for the Bluebird project, prepared and later refined in the first half of 2001, I outlined three major areas, or topics, in my research related to the project. The first topic, to be researched in 2001-2002, is discovery and analysis of at least some of the general fundamentals of economic thinking in the region. The second topic, to be researched in 2002-2003, is a comparative, narrative and graphical analysis of the existing monetary regimes in Southeastern Europe. The third topic, to be researched in 2003, is the political economy aspects of transition in Southeastern Europe.

Over the first six months of my research under the Bluebird project I have tried to build a hypothesis, which includes agents' fundamental economic attitudes (beliefs) as an explanatory element of the overall investment processes of the Bulgarian economy. The idea is taken from Douglass C. North's work on institutions and institutional change, where he points towards the importance of beliefs for economic behavior and for the shaping of institutions. The generation of this hypothesis is completed in my first paper prepared for the project and presented at the Istanbul workshop of the Economic Integration group (the paper has been submitted to BMBF and is available for inspection).

2. The work to be done in 2002

Of the three main topics, my plans for 2002 are to concentrate on the first two. My work on the third topic in 2002 will be only preparatory.

In 2002 sociological survey results for Serbia, Montenegro and Macedonia will be used to produce indices of cooperative and market thinking similar to the ones obtained for Bulgaria. Then, the values of these indices may be compared to the investment processes in these countries as was done for Bulgaria. Even though there are only four observations, this is a way to have a first indication whether the hypothesis may be supported by the data.

Here a possible approach can be to include these variables in a growth regression of the type used by Barro. However, this approach has limitations – the regressions used by Barro are not explicitly derived from optimizing microeconomic behavior, while the economic attitudes affect final outcomes such as the level of investment only indirectly – through affecting incentives and decisions of individual agents within a certain environment. Also, the number of observations of indices of economic attitudes is very limited at this point.

This problem may be solved through a simulation. Using the context of the trust game, with slight modifications concerning prior beliefs of players about the possible payoffs, a simulation may be performed which can indicate whether beliefs of the type identified in

Bulgaria may lead to different results in investment levels compared to different prior beliefs about the nature of the game. Such a simulation will be a major component of my work during 2002.

I will work also on topic 2, besides the fact and data gathering activities necessary to study of monetary regimes in the economies in the region, two approaches will be used. The first is comparative, using narratives and graphical analysis, so that some essential facts about the monetary developments in the region can be depicted. The second is formal, which may use different tools to check for different developments.

Regarding topic 3, during 2002 I will attempt to answer only one question – after reviewing the relevant literature, which may be the best way (in terms of choosing analytical models and approaches to formal analysis) to approach the study of political economic issues in the region.

Vladimir Gligorov

Staff Economist, The Vienna Institute for International Economic Studies (WIIW), Austria

The Issue

The key question that I try to address in this research is whether the states, the way they are, have a negative effect on the growth and development in the Balkans. In other words, whether they have been responsible for the backwardness of this region. My initial hypothesis is: yes.

The Motivation

The motivation for this research is the Gerschenkron theory of economic spurs, both the successful and the unsuccessful ones. To that should be added the theory of the big push, as developed by Rosenstein-Rodan in the early forties and as discussed in the development studies. If a country is backward, it will lack modernizing entrepreneurs and financial institutions. As a consequence, the state could step in as a functional alternative. That is Gerschenkron's hypothesis. One of the practical things that a state can do is to remove all barriers to an extension of the markets, for instance through the market and other types of integration, but also by spurring investments. This is Rosenstein-Rodan's hypothesis. Finally, these theories can be connected to one theory of development in which the state helps provide the conditions by which increasing returns - due to various types of externalities – can appear and can be captured by firms and financial institutions. Here, the role of the state may be seen differently, i.e. as an investor (this is Murphy, Shleifer and Vishny's hypothesis) or as helping in a market-led liberalization (this is the Sachs et. al. hypothesis).

The Balkans

One thing that is not scarce in the Balkans is a proliferation of states. Depending on what nations one includes, there are as many as a dozen state and state-like political entities.

Some are very small while some are fairly large. According to the Rosenstein-Rodan hypothesis it would be advantageous for their development to integrate economically, so as to constitute a single economic region.

The issues are:

1. *What are the trade links among the Balkan countries and what is their potential*

In other words, it is important to determine the actual and potential trade flows. The discrepancy, if there is one, would be indicative of the role that the state plays in trade liberalization and in the fostering of the overall openness of the economy.

2. *The vulnerability of the state in the Balkans to various types of crises (mainly economic crises are of interest here).*

Historically, the propensity to crisis is quite high in the Balkans. Also, currently, most of the Balkan countries face significant challenges that very significantly increase their vulnerability. For instance, the unemployment rate is high, budget deficits as well, and the same goes yet more for the trade and current account deficits.

Therefore, it is important to determine the level of macroeconomic risks and the types of imbalances that currently exist.

3. *The capture of the states, both internal and external (Hellman et. al. 2000).*

The political entities that exist in the Balkans are often non-standard. Some are states but with a number of constitutional and other deficiencies. Others are protectorates or quasi-protectorates. They exhibit many characteristics of states that have been captured by special interest groups, both internal and external. This leads to a false combination of public preferences. In the political domain, particular economic interests may dominate over the public interest, while in the economic domain, political interests may suppress or constrain those of the economy.

Therefore, it would be important to determine how captured (or corrupt) are the various Balkan states. This would lead to an ascertaining of the extent to which they exhibit the weakness of political will or political *akrasia*.

Findings and policy implications

The key hypothesis, as mentioned at the beginning, is that the states as they are in the Balkans are barriers to trade, stability and development. They tend to be closed (not just in terms of trade), to have unsustainable finances, and to cater to special interests. Clearly, proper integration (not by becoming a protectorate or a client of aid dependency), both within and without the region may be one of the solutions. Others have to do with sound macroeconomic policies and with the introduction of the rule of law. The scientific contribution of this research is to understand the economic implications of what is here called the weakness of political will. The most important contributions will be of an analytical nature. The empirical findings should bring out the specific characteristics of weak states in the Balkans. Policy implications will tend toward the redefinition of the roles that states and markets have to play in the process of development and transition. These will be spelled out in the area of the rule of law, regional integration and economic policy.

The Dynamics

The issues of trade flows and potentials both inside the region and outside of it has already been covered in 2001. The draft paper consists of:

- description of the trade flows and their characteristics in the Balkans since 1995 (with some discussion of trade in the 1970s and the 1980s);
- description and analysis of the trade regimes and policies in the Balkans and with the outside world;
- and analysis of the revealed comparative advantages within the Balkans and with the outside world;
- analysis of intra-regional and inter-regional trade potential calculated on the basis of the gravity model.

The issue of the vulnerability of the states has already been covered in a preliminary way in 2001. The draft paper consists of:

- detailed description of the macro-economic imbalances in the Balkans;
- detailed description of the revenue and expenditure sides of the Balkan states;
- analysis of the type and level of paternalism (the term is defined) in the Balkans, of the distortions they introduce and of the constraint on development they present;
- analysis of fiscal risks and of the overall vulnerability of Balkan states.

The draft paper was presented at the 2001 workshop with the final version of the paper to be presented at the next 2002 workshop.

The issue of state capture and other issues in the political economy of the Balkans, will be worked on in 2002. The work will consist in:

- defining state capture; the term is standard in the public choice literature, but has not been applied to transition economies and especially not to the Balkan economies: the first quarter of 2002,
- developing quantitative indicators of state capture (aid, subsidies, corruption, rent-seeking and the like): the first quarter of 2002,
- collecting the data: first half of 2002,
- specifying the regression equation and trying it out on a large sample of countries: first half of 2002,
- analyzing the difference that the alternative types of regional and wider integration would make: third quarter of 2002.

The draft paper will be presented at the 2002 workshop toward the end of the year.



**Group Coordinator:
Dr. Mihail Arandarenko**

**Social Inclusion Group
Progress Report for 2001
and
Draft Activity Plan for 2002 and 2003**

Summary

Progress in 2001.

The group (Mihail Arandarenko, Gabriel Badescu, Silva Meznaric, Branko Milanovic, Natalija Vrečer, Nebojsa Vukadinovic) was formed in March 2001. By June individual research plans were drafted and subsequently discussed in early July at the first internal meeting of the group in Belgrade. Internal research map has been developed, and the matrix of common interests and shared research topics among the group members has been created. Early in October, international conference on *Migration and Exclusion in South East Europe* was held in Dubrovnik, attempting to highlight the theoretical and policy relevant issues of ethnically and economically induced movements of the people in the region. Activities of the group members included research, scientific writing, lecturing, public appearances, participation in conferences and regional meetings and initiatives (such as Stability Pact), and activism and lobbying.

Draft Activity Plan for 2002. and 2003.

After setting up and making advances in individual and group's research plans in 2001, the emphasis in 2002. and 2003. will be on fully integrating the agenda of the group into the project's agenda, as well as on disseminating the results of group's research to and receiving a feedback from the wider (regional in the first place) scientific community, policymakers and publics in the region. In order to achieve these goals, the two forthcoming conferences should a) be organized with the active cooperation or at least involvement of the Blue Bird Economic Integration and Nation State groups, b) be fully open for outside participation on a competitive basis, via timely announced calls for papers, c) have a strong policy component, in terms of both content and participation, d) get a significant media coverage and follow up. The 2002 conference will be held in June, in Cluj, in cooperation with the Nation State group and is tentatively entitled *Social Capital, Civil Society and Anti-corruption Policies in the Balkan Countries*. The 2003 conference will be held in Spring in Belgrade, in cooperation with the Economic Integration group, and is tentatively entitled *Inequality, Unemployment and Poverty in South East Europe*. The participation and expected contribution of the group in common events and joint policy documents of the project should be decided jointly at the coordinators' meeting in Budapest.

Progress Report for 2001

Individual research and activities

Research group members defined their projects by mid 2001 and pursued them independently in the second half of 2001 (for the details, see individual progress reports). At the group level, research map has been developed during the Belgrade internal meeting. Group members were asked to define research areas/topics of joint interest. The resulting research matrix is enclosed in appendix.

Dubrovnik conference

One of the unfortunate peculiarities of the region is that it is, compared with other European transition societies, characterized by an 'extra' group of excluded – those who suffered enormously during and after the wars that affected the Western Balkans, but which impact quickly spread throughout and beyond the SEE region. The group's intention was to devote its first conference, therefore, to the burning issues of protection of refugees, internally displaced persons and ethnic minorities within the hostile ethnic environments.

But the agenda of the conference (and for the research, policy and advocacy activities in the next couple of years) has actually been much wider. We did not want to limit ourselves to the war/ethnic hatred driven migrations; rather, the goal was to shed light to wide range of causes and directions of the movements to and from the region, from 'classical' economic migrations to seemingly 'universally pathological' women trafficking.

In order to capture all relevant aspects of Balkan migrations, the conference was divided into three sessions – the first exploring sending side, the second receiving side, while the third dealt with the causes and consequences of ethnically induced migrations.

In a leading presentation, Natalija Vrečer (Vrečer, 2001) focused on the integration of the refugees as one of the durable solutions to the refugee question. The paper aimed to identify major obstacles to the integration processes and to provide recommendations for the encouragement of these processes. If integration will remain mainly the task of the national governments as it is to a large extent up to now, significant improvements in the quality of life of forced migrants could hardly be expected. In order for the integration processes of forced migrants to be encouraged in Southeastern Europe, the integration should be put more firmly on the agenda of the intergovernmental organizations, such as UNHCR, ICMPD and IOM.

Another highlight was the presentation of Sabina Mihelj (Mihelj, 2001), emphasizing the role of the media in shaping public opinion toward the refugees, using

the example of Slovenian state television coverage of illegal migration. Using the methods of semiotic analysis and analysis of communicative conventions, Mihelj convincingly illustrated how the media representations can effectively contribute to the creation of exclusion of forced migrants.

Marina Petronoti (2001) discussed in her paper the situation of the minority ethnic groups in Greece in the light of the process of multi-culturalization. She debated the role of the Greek state in the institutionalization of dominant values. While the idea of multiculturalism became officially accepted, the everyday reality shows a different picture: minorities belonging to different cultures lack social, political and cultural rights.

Levente Salat (2001) illustrated, on the example of Romania, a regionally typical conflict between nation-building oriented majority and community-conserving oriented minority. To prevent conflict or segregation, he suggested a new concept of citizenship, as well as new institutions including ombudsman on inter-ethnic relations, a shared public sphere where besides majority the minority groups can also be represented.

Tentative Ideas and Policy Strategies - Anticipating the Agenda for Civil Society in SEE

Below are summarized some important points resulting from the work done so far and the intra-group exchange of ideas.

1. *There is a real danger of South East European transforming societies becoming 'hourglass' societies.*

Some important pieces of evidence show that the social fabric in the Balkans is overstretched. Inequality has risen significantly in the last decade, and the level of inequality is higher than in Central Europe, although still lower than in Eurasian transition societies (Milanovic, 1998, Milanovic, 2001). This process, coupled with the significant and sometimes huge GDP decline, brought about mass poverty and deprivation. Recent monetary crisis in Turkey has seemingly caused similar developments (Ozkan, 2001). Although the concept of 'hourglass society', conceived by Rose (1995), is consistent with the regionally popular slogan about the disappearance of 'middle class', this should be of a lesser concern than the fate of those at the, permanently widening, very bottom of the social 'hourglass'.

2. *Political elites should be compassionate, rather than predatory.*

The responsibility of the Balkan elites in the context of a widening gap between the elite and the rest of society, blossoming corruption, tax evasion and rising inequality is crucial, as Misha Glenny has recently convincingly argued (Glenny, 2001). In the last decade of economic and social upheaval, the economic sphere has become, to use the language of Polanyi, disembedded from society. 'Winners' should overcome their own short term maximizing goals and compensate the 'losers' and at the same time press for the

economic growth if they are to enjoy their gains over longer period. They need to pass through the ‘Budenbrock dynamics’ in one single generation, not two or three (Arandarenko, 1996).

3. *The very foundations of existing social policy mechanisms should be reconsidered.*

At the policy level, the main task of the elites accepting distributive justice and equality as the main policy objectives, is to re-embed the economy in society. New mechanisms for redistribution should be introduced that reduce inequalities to a level that enables the economic dynamism to continue while providing enough people with enough economic security to make them tolerate or support the overall system. New social policy should avoid paternalism and promote solidarity (Gligorov, 2001). It is again about striking the right balance between economic incentives and social inclusiveness; experience from the nineties, with the attempts to introduce social policies based on Western-type welfare system shows that the balance should not be carbon copied or imported; rather, it should be finely locally designed and tuned.

4. *Developing a ‘good’ social capital: patterns of social integration, voice regulation, solidaristic individualism.*

Social capital – networks of trust and reciprocity - is often seen as a compensation for the weak state in transition context. We accept the view that the social capital is indeed an important tool for policy making (Badescu, 2001). If a fragmented, egoistic society is to be overcome, policymakers will have to design the elements of social solidarity and socioeconomic security. Social cohesion has been seen as combining the political determination of governments to bring in social development policies and make a success of them with their citizens’ aspiration toward greater solidarity. Social cohesion aims to promote active participation in decision making, restore civic and social ties, and develop sound relationship between state, market, and civil society (World Bank, 2000). The regulation of collective voice cannot simply be imposed from above, as the unfortunate experience of the tripartism shows. Rather, a wide coalition of voluntary organizations is required to put strong enough pressure on the ‘winners’ if they are to accept that solidarity does not mean charity, but rather rights recognized as universal (Standing, 2000).

5. *Multiethnic societies do have a future in South East Europe*

This statement is being supported by ‘rational’ economic arguments, claiming that the partition fails to be a rational solution to ethnic war (Sambanis, 2000), and further richly illustrated by the extended devastation it has caused to war stricken populations, without ever reaching a ‘final solution’ (Meznaric, 2001, Vrečer, 2001). On a positive note, the viability of multiethnic societies is confirmed by the works of Collier (e.g. Collier, 2000).

Draft Activity Plan for 2002 and 2003

1. The immediate task is to prepare the second conference of the Social Inclusion group. As agreed in Belgrade, the 2002 conference will be held in June (alternatively: September), in Cluj, Romania, in cooperation with the Nation State group (of course, contributions from Economic Integration and SEE Identity groups are welcome). The conference is tentatively entitled *Social Capital, Civil Society and Anti-corruption Policies in the Balkan Countries*. The conference should be based on a couple of key invited presentations, but also fully open for outside participation on a competitive basis, via timely announced call for papers. It is supposed to have a strong policy component, in terms of both content and participation, and should get a significant media coverage and follow up. Gabriel Badescu will be in charge of organizing the logistics, while the content part will be joint responsibility of Badescu, Social Inclusion group coordinator and preferably Nation State group coordinator. Possibilities of institutional involvement of New Europe College or a joint conference with the Nation State group should be explored.

The agenda of the conference should comprise the following issues, according to the draft call for papers developed by Badescu. To what extent is the social capital approach useful for clarifying some of the problems confronting Balkan nations? More specific, what kind of social capital does have each of these societies and with what consequences? What is the potential of social capital as a tool for policy-making in the Balkan countries? A special emphasize will be placed on the potential of social capital approach to illuminate the problem of corruption, which significantly affects most countries from this region.

We suggest the following possible topics for papers. Proposals, however, need not be limited to these suggestions: Civic involvement and anticorruption campaigns; Attitudinal determinants and effects of corrupt exchanges; Historical legacy as determinant of social capital and civil society; Civil society, NGO-s and associations; Economic inequality and social capital; Informal networks, a result or a cause of institutional failure; How fungible are corrupt exchanges across different settings; Ethnic diversity and social capital; Efficiency of legal and political institutions as a determinant of collective action success; The role of school and family in reproducing attitudes and norms that affect corrupt exchanges.

2. The 2003 conference will be held in Spring in Belgrade, in cooperation with the Economic Integration group, and is tentatively entitled *Inequality, Unemployment and Poverty in South East Europe*. Group members responsible for its organization should be Mihail Arandarenko and Branko Milanovic, with the involvement of Ilian Mihov and Vladimir Gligorov on behalf of Economic Integration group. The very foundations of social policy should be reconsidered with the active participation of social policymakers from the region. The cleavages between poor and rich, unions and employers, or between ethnic groups can easily delay and derail welfare-improving reforms. Therefore, one of the goals is to identify political or social opposition to growth policies and institutions (Mihov, 2001).

3. The activities within the Blue Bird project in 2002. and 2003. should be focused on integrating the group's internal agenda into overall project's agenda. Apart from more intensive communication at the level of research coordinators and academic coordinator and the organization of conferences, it will require intensive inter-group exchange by the all members of the project. One of the ways to facilitate the exchange should be via the activation of forum feature of the Blue Bird internal web site. Coordinators should agree about suitable and fruitful inter-group discussion topics and post them on internal forum. They should initiate and guide the discussion.

4. Involvement in regional policy and academic initiatives. Activities that have started with the individual participation of group members (Arandarenko, Vrečer, Vukadinovic) in various regional initiatives, such as Social Cohesion Initiative of the Working Table II of Stability Pact, should be brought to the level of the group's or project's institutional involvement.

5. Approaching policymakers and publics. Group members will be requested to write newspaper / journal articles and to make public appearances related to their own and group research in their respective countries. They will also be requested to communicate their own and group's policy recommendations to policymakers and intergovernmental organizations. Group coordinator will be responsible for delivering the inclusion message at the regional level.

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Appendix: Research Matrix of the Social Inclusion Group	Mihail Arandarenko	Gabriel Badescu	Silva Meznaric	Branko Milanovic	Natalija Vrecer	Nebojsa Vukadinovic
Mihail Arandarenko	<i>Project: What Labor Market Institutions for SEE</i>	Trade unions as civil organizations; social capital of people excluded from the labor force; gray economy	Quality of life framework (health, housing, literacy, education)	Connection between inequality and labor market rigidity; gray economy income estimates	Employment rights of refugees; refugee reintegration	World Bank (and other int'l financial organizations) programs of labor force reintegration
Gabriel Badescu	Measuring the 'quality' of union membership	<i>Project: Civil Society and Democratization in the Post- Communist Balkans</i>	What is the social setting of effective social inclusion process	Measures of inequality; study on gray economy	Able to provide information about Romanian migration: regulations, statistics, contacts	Local development as a factor in social integration
Silva Meznaric	Labor market deregulation and migration – is there a connection?	Differentiated development of civil society in SEE, connected with re- socialization	<i>Project: Exclusion, Inclusion and Participation in SEE Countries. Case Studies</i>	Income generated exclusion- who and how; Where is SEE in the context of demodernization		Local development as a factor of social integration

Branko Milanovic	Link between wage inequality and union density – exploring a two-way relationship	Have countries with more developed civil society registered lower increases in inequality?	Empirical basis for definition of exclusion; role of exclusion in stimulating migration	<i>Project: Inequality in the post-Communist Balkans: Bulgaria, Romania and Serbia, 1990-2000</i>		Empirical basis for definition of exclusion; tested on anthropological case study
Natalija Vrecer	Employment issues in the region (esp. of the refugees and migrants' groups)	Civil society and refugees (NGOs dealing with refugees; refugee and migrant associations)	Migration patterns of ethnic groups	Poverty and discrimination among the refugees	<i>Project: Integration of (Forced) Migrants in SEE: Theoretical Aspects and Practices</i>	Western humanitarian aid
Nebojsa Vukadinovic	Assessing SP Working Table 2 activities, especially Social Cohesion initiative	Evaluation of inclusion programs undertaken by civil society actors	Proliferation (competition) of inclusion projects (Stability Pact, int'l aid programs, NGOs)		Contradiction between return policies and social integration policy	<i>Project: Multilateral Aid Policies, Regional Cooperation and Local Development in SEE</i>



***Group Coordinator:
Dr. Alina Pippidi***

***Working Group
on the Future of the Nation States in South Eastern Europe***

Group members:

- Prof. Venelin Ganey
- Dr. Paul Aligica
- Dr. Svetlana Alexandrova
- Prof. Alina Mungiu-Pippidi
- Prof. Ozan Erozdin

The group held a first meeting at Bratislava in June, followed by a workshop at Split, Croatia, 23-24 November 2001. The workshop “Civil Society, Political Society and the State: a Fresh Look at the Problems of Governance in the Balkan Region” has been organized by the group as a follow up to the organizational meeting held by the Working Group on 25-26 June in Bratislava, and in relation to the work plan of the Group activities. It has been held in Hotel Split in the city of Split in Croatia, one of countries whose citizens participate in the project and in the Group activities, on kind invitation of in close cooperation with Prof. Ozan Erozdin, Head of OSCE Mission in Split.

The workshop was the working, academic gathering of ten individuals from seven countries (Bulgaria, Romania, FRY/Serbia, Turkey, USA), in their private capacities, including five (of six) Working Group members (Prof. Puhovsky excused himself due to other commitments), three invited guests, and in their official capacities: one Blue Bird secretariat representative from Hungary and one UNDP RBEC representative (Polish). Accent was put on papers and related discussions, so the meeting was low-key, without unnecessary protocol matters nor folders.

The workshop has been divided into four sessions dedicated to the following issues:

- organized interests and the state: sources and forms of corruption
 - constituting civil and political society in ethnically heterogeneous states
 - the social and political prerequisites of the well-endowed administrative state
 - linking states and societies: formal and informal institutions
- and two organizational sessions: the opening and closing.

During two days of the workshop, all the Working Group members as well as the guests have made presentations, followed by discussions. The following academic presentations (referring to the draft versions of papers being prepared) were made by the Group members:

- Dr. Paul Aligica “Socio-Economic Dualism in SE”
- Dr. Svetlana Alexandrova “Corruption: Government Role and Activities”
- Prof. Venelin Ganey “Dysfunctional Sinews of Power: problems of bureaucracy-building on the Post-Communist Balkans”
- Prof. Alina Mungiu-Pippidi “Government Accountability in Eastern Europe. Agenda for Donors and Civil Society.”

- Prof. Ozan Erozdin “Formal/Informal Civic Organizations on the Margin of Civil Society: examples of Croatia and Turkey”

and by the invited guests:

- Mr. John Clark, Hudson Institute “Devolution of Power in the Baltic States, overcentralisation in FYRo Macedonia and decentralisation experience of Albania”
- Ms. Ljussiena Kostova, MSI “The Dialogue between Government and Society: an Important Mechanism for Transparency and Public Participation”
- Mr. Alexander Lojpur, Igman Initiative “Are Balkan conflicts ethnic indeed?”

The discussions concentrated around the topics of the above presentations, with special focus on:

- economic or ethnic tensions? conflicts of ethnicity, land possession or weak institutions/states
- populist rather, or just nationalist trends?
- so-called “Balkan syndrom”, or results of 20th century struggles and transformations?
- shadow economy and frequent changes in legislative framework; who and why in shadow economy?
- ethnic professional divisions
- side-effects of privatisation; increased/decreased corruption
- common “sexy” vision of EU accession as a driving force, or misused and dividing factor; the region before and after 1997; divisions inside the region; foreign investment example
- public administration malpractices, causes; weakness of governments; no leadership, nor clear social classes
- no understanding of conflict of interest; understanding for family interest better
- peasant culture in urban settings; phases of transformation of societies; resistance to changes
- development and good governance, consequences of delayed reforms
- institutional assessment a precondition for development (judiciary, investment)
- break-up of countries, whose failure (elites? communists? nationalists?)
- nation-building and reintegration versus sponsoring difference/multicultural programs in lawless environment
- whose states? over-promising constitutional provisions? citizenship individual or of communities? municipalities’ property and regional development?
- regional consensus a positive scenario?
- why bureaucrats malfunction/administrative bottlenecks? lacking capacities, paradox of opening, lost prestige (revival now?) and evaporated discipline, succession crisis, new criteria, rotation along with changes of governments
- governments legitimacy deficit and levels of chronic distrust, criminalisation of governments (loosing when good governance);
- embezzlement of social capital by the state, extraction by predators/rent-seeking, distributional coalitions

- complaint mechanisms, informal ombudsmen, civil society control? legal assistance to citizens?
- absence/presence of some elements in dysfunctional socialist administration (managerial skills; managing industries; managing change; taxation);
- civil society – government dialogue as a novelty; missing legal foundations, lacking human and financial resources; tradition of passiveness; demystifying civil society (ex. strong and numerous islamic, or veteran organisations endangering stability)
- NGOs representing who? or lobbying for who? dependent on governments' or foreign aid
- access to information, role of web sites

Research progress

Dr. Svetlana Alexandrovna will continue to work on corruption and has completed a study on informal economy in Bulgaria in cooperation with Harvard University. Informal economic activity will remain the main focus of her activity.

Ozan Erozden is currently working on a paper in which the level of communication between state bodies and civil society organizations would be analyzed within the frame of a comparison between Turkey and Croatia. The study aims to give a picture of the density of interactions between official policy makers, i.e. state officials, and civil society think tankers as far as developing capacity building projects is concerned. The above mentioned interaction is supposed to appear on three separate levels, namely preparation, implementation and follow-up stages of given projects. Here the analysis would focus, taking into consideration only the first of all three above mentioned stages, on the openness of governments to receive information / inputs from civil society, or more explicitly, their suspiciousness of civil society institutions / organizations as a reliable source of policy inputs.

Dr. Paul Aligica is working on a paper trying to conceptualize the political economy dynamics of the region in order to raise a set of questions regarding the problem faced by the S-E European states. Several starting points for a possible set of solutions are explored. The main idea is that while the majority of other European countries went through a transition period of economic dualism, overcome it and then entered a mature phase of industrial economy, the Balkan countries development and modernization trajectory was deviated by dualism in a specific direction. For the countries that today are called advanced industrial democracies, dualism was a moment or a stage of economic and social development. For the Balkan countries, dualism was a constant and active deterring factor on the development path. Dualism is defined as the coexistence of market and non-market economies alongside each other.

Dr. Venelin Ganev is completing his work on bureaucracy and the reasons for state failure in Balkan countries. He is focusing on the role of power conversion in undermining the policy capability, exploring however alternative paths as well.

Dr. Alina Pippidi has completed a report on the impact of Schengen on borders and home and justice affairs in Eastern Europe. The report has just come out as Robert

Schumann paper from EUI, Florence, under the title 'Europe's Desert of Tartars Challenge: the Eastern Border of the European Union' and was also included in a book published by Routledge. She is well advanced with the model of Romanian and Bulgarian nationalism based on public opinion data, and will organize a survey with the same questionnaire in Serbia in early 2002. During 2001 she has worked mostly on governance issues, and will present a comparative paper of institutional social capital in Romania, Bulgaria and Slovakia at the social inclusion group workshop in social capital in Cluj.

Future activities

The next group meeting was decided for May 7, 2002, Bucharest – on the occasion of the Democratisation Workshop (“Balkan Exceptionalism or Theory Failure? Unsettled matters of the democratisation in Eastern Europe”) planned for 6 May 2002, organised by the Romanian Academic Society and hosted by New Europe College (tentative program attached).

The annual conference was decided for Oct-Nov 2002, Budapest –, on the topic of state building versus nation-building. Logistics remain to be discussed by Dr. Mungiu-Pippidi during the next Budapest meeting (tentative program attached).

Problems

It has been briefly discussed the issue of further participation of Prof. Puhovsky, who could not participate in the workshop, and has largely been out of touch with the group. It has been agreed to send a reminder message to Prof. Puhovsky to provide a progress report. In case the Group received no information on activities by Prof. Puhovsky within 6 months since he signed the contract with UNDP, it will be understood as resignation from Working Group activities, with all implications.

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Sofia Academic NEXUS Project

“How to think about the Balkans: Culture, Region, Identities”

INTERIM PROGRESS REPORT 2001-2002 Academic Year (September 15, 2001 – April 15, 2002)

The current NEXUS Interim Report covers the period September 15, 2001 – April 15, 2002 and summarizes the most important activities, achievements and results of the project during the first 6 months of the second academic year of its progress.

Contents:

- A. List of the participants in NEXUS Project (2001-2002)
- B. Activities
- C. Technical facilities and library services
- D. Project Proposals of Nexus Project participants
- E. State of Ideas

A. List of the participants in Nexus Project

Research Advisor: Prof. Maria Todorova, Member of the “Blue Bird” Steering Committee

NEXUS Convenor: Dr. Alexander Kiossev, Academic Director of the Centre for Advanced Study in Sofia.

NEXUS SENIOR FELLOWS (2000-2003)

1. **Dr. Roumen Avramov**, “Mapping Economic Identities - South-East Europe and “Europe”

Program Director, Centre for Liberal Strategies - Sofia;

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2. **Dr. Alexander Kiossev**, “Places, Voices, Communities: Re-Negotiating SEE Imaginary Geographies”

Associate Professor of History of Culture, Faculty of Philosophy, Sofia University, Bulgaria; Research Coordinator

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3. **Prof. Vintila Mihailescu**, “Identity as Specificity. A Case Study in “Originalist Ideology” and its Legacy in Romanian”

Professor of Anthropology and Psychology, Department of Sociology, Bucharest University, Head of the Master’s Program in Anthropology at the National School for Political and Administrative Sciences, Bucharest, Romania

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4. **Dr. Diana Mishkova**, “When the Door is Open, Fresh Air Comes in With Dust”. Concepts of Modernity in Southeast Europe 1870s-1930s

Associate Professor in Modern Balkan History, Faculty of History, Sofia University, Bulgaria, Convener

✉ e-mail: mishkova@plov.omega.bg ; mishkova@cas.bg

5. **Dr. Slobodan Naumovic**, “On “Us” As “Them”: National Identity Splits and Meta-National Identifications” - The Serbian Case in Comparative SEE Perspective “

Assistant Professor of Anthropology, Department of Ethnology and Anthropology, Faculty of Philosophy, Belgrade University; Belgrade, FR Yugoslavia

✉ e-mail: naumari@Eunet.yu

New fellow:

6. **Prof. Halil Berktaş**, Sabanci University, Faculty of Arts and Social Sciences, Department of History, Istanbul, Turkey

✉ e-mail: hberktay@mail.sabanciuniv.edu

NEXUS ASSOCIATE FELLOWS
(Academic 2001-2002 year)

1. **Dr. Alexej Kalionski**, Assistant Professor in Balkan History at the Sofia University “St. Kliment Ohridski”. Project Title: **“How to be Karakachan in Bulgaria”**.
✉ e-mail: alexk@clio.uni-sofia.bg
2. **Dr. Boyan Manchev**, Assistant Professor in Theory of Literature, Sofia University “St. Kliment Ohridski”. Project Title: **“Theorizing the Identity: Figures of the National Identity Discourses in Southeast Europe”**.
✉ e-mail: b_manchev@yahoo.com
3. **Dr. Dessislava Lilova**, Associate Professor in the Dept. of Cultural Studies, South-Western University “Neophit Rilsky”, Blagoevgrad. Project Title: **“The Shared Balkan Past in Bulgarian Historiography before the Liberation”**
✉ e-mail: lilova@mail.bol.bg
4. **Dr. Tanya Chavdarova**, Associate Professor in Sociology, Sofia University “St. Kliment Ohridski”. Project Title: **“The Sole Proprietor in Bulgaria, Macedonia and Turkey: Economic Culture”**.
✉ e-mail: tania@sclg.uni-sofia.bg

New fellow:

5. **Dr. Blazovest Zlatanov**, Assistant Professor in Theory of Literature, Faculty of Slavic Studies, Sofia University “St. Kliment Ohridski”. Project Title: **“The “Holy” Territories of the European South-East: Kosovo, Transylvania, Macedonia**
✉ e-mail: new_publicity@sca.osf.bg

NEXUS REGIONAL ASSOCIATE FELLOWS
(Academic 2001-2002 year)

6. **Balazs Trencsenyui**, PhD Student in History at the Central European University, Budapest.
Project Title: **“The conceptualization of collective identity and the national character-discourses in Romania, Bulgaria and Hungary in the interwar period”**. – 10 months research
✉ e-mail: nphtr14@phd.ceu.hu
7. **Dr. Maria Nikolopoulou**, Ph.D. in Modern Greek Studies in the Department of Byzantine and Modern Greek Studies, King’s College London. Project Title: **“Space, memory and identity: The memory of the Asia Minor space in Greek novels of the 1960s”**. – 6 months research
✉ e-mail: mnikolo@hotmail.com

New fellow:

8. **Ayse Parla**, Ph.D. candidate in Socio-cultural Anthropology, New York University, USA. Project on the Identity of the Bulgarian Turkish Minority – **6 months research**
✉ e-mail: ayseparla@yahoo.com

B. Activities

The main activities of the NEXUS Team during the reported period are as follows:

- ***Call for Applications for the new NEXUS Associate Fellows***
 - The official announcement of the *NEXUS Call for Applications* was published in several Bulgarian cultural and academic newspapers, on the front page of CAS web-site and was distributed through the web-site of the Balkan Academic News in Yahoo Discussion Groups. The research topic of the NEXUS Project proved to be quite interesting and highly competitive for the scholars from SEE region and within the final deadline – September 1st, 2001 there were 18 applicants and more than 20 young researchers, who wanted to cooperate in the project.
 - The *Call for Applications* for one additional Regional Associate Fellow has been distributed electronically on December 27th, 2001 and on January 8th 2002 through the web site of the Balkan Academic News.
 - ***Meeting of the NEXUS Senior Team on September 15-16th 2001 in Sofia.***
 In the presence of Ivan Krastev, the Senior Fellows approved the Interim Report of NEXUS (2000-2001) and discussed the project proposals for Three NEXUS Balkan Conferences. On September 16th 2001 the Senior Team of NEXUS and Ivan Krastev discussed thoroughly the applications for the new Associate Fellows. /see the enclosed Agenda/
 - ***Selection of NEXUS Associate Fellows /2001-2002 academic year/.***
 On September 25th, 2001 the international Selection Committee of NEXUS selected the new NEXUS Associate Fellows - *Alexej Kalionski, Boyan Manchev, Dessislava Lilova, Tanya Chavdarova* and NEXUS Regional Associate Fellows – *Balazs Trencsenyi and Maria Nikolopoulou*. The Selection Committee announced the final results from the selection in an official letter to the Wissenschaftskolleg-zu-Berlin and informed officially the selected fellows and non-selected applicants. /see the enclosed Minutes and Final Selection /.
- On February 1st, 2002 NEXUS Selection Committee selected Dr. Blagovest Zlatanov, Bulgaria and Ayse Parla, Turkey as the new Associate Fellows of NEXUS for the research period of 6 months /01.02.2002 – 31.07.2002/.
- ***Virtual discussion of the individual research projects of the NEXUS Fellows (2000-2001).***
 At the end of September 2001 the Associate Fellows presented final versions (non-copy edited) of their NEXUS individual projects and their papers were discussed virtually by the entire NEXUS Team (new fellows included) and other researchers. A special section for virtual comments on the projects and an internal section of the NEXUS team, requiring a password authentication for the

discussion of the Seniors' projects have been launched on the web-site of CAS at: www.cas.bg.

- ***First Meeting of the NEXUS Associate Fellows (2001-2002).***

The new fellows were acquainted with their obligations and rights, as well as the organizational structure, methodological framework of the NEXUS Project, the technical facilities and the mode of cooperation in the team. Dr. Roumen Avramov, on behalf of the Centre for Liberal Strategies and the new Associate Fellows concluded the Fellowship Contracts for the period October 2001 – July 2002. The participants approved a short-term timetable for the individual project presentations and the activities of the Associate Fellows. The new Associate Fellows were given the task to prepare written comments on the individual projects of the former Associate Fellows.

- ***Presentations of the project proposals of the Associate Fellows (2001-2002).***

The new Associate Fellows presented in details the main ideas and structure of their projects at the regular weekly NEXUS workshops held at CAS within the period of *October 8th – November 5th 2001*. After the presentations all Senior Fellows and former Associates had to submit their virtual comments to the proposals via e-mail and the web site of CAS. The Associate Fellows determined also the plan for their research trips within the project.

- ***Inauguration of the second academic year of the NEXUS Project (2001-2002).*** Farewell Party with the former Associate fellows and a Welcome Party for the new Associate Fellows.

The official inauguration reception was held on November 10th, 2001 at the Centre for Advanced Study in Sofia and was attended by the members of Senior Team and Associate Fellow Teams from (2000-2001) and (2001-2002) academic years and with the special presence of donors, members of CAS Board of Trustees, Deans from the Sofia University, the Bulgarian Minister and Deputy Ministers of Education and Science, representatives of the academic and cultural circles and other official guests.

- ***First Meeting of the NEXUS Senior and Associate Teams for the academic 2001-2002 year. November 11th, 2001, Sofia.***

The Senior Team of NEXUS discussed in details the status of the two distant Senior Fellows – Prof. Deringil and Prof. Prevelakis. They decided to terminate their fellowship contracts, because the two fellows did not observe correctly their obligations to the project /see the enclosed letters/. The participants approved the Convener's report for the finalization of the Associate Fellows' projects and accepted the timetable of the tutorial duties and project presentations. The appointed tutors of the new Associate Fellows are as follows:

*Prof. Vintila Mihailescu – Dr. Alexej Kalionski;
 Dr. Slobodan Naumovic – Dr. Dessislava Lilova;
 Dr. Roumen Avramov - Dr. Tanya Chavdarova;
 Dr. Diana Mishkova – Balazs Trencsenyi;
 Dr. Alexander Kiossev – Dr. Boyan Manchev and Dr. Maria Nikolopoulou.*

- ***Second Meeting of the NEXUS Senior and Associate Fellows (2001-2002 year)***

February 2nd – 3rd, 2002 Sofia

The fellows discussed and approved the project proposals of Dr. Maria Nikolopoulou and Dr. Blagovest Zlatanov.

- ***Third Meeting of the NEXUS Senior and Associate Fellows (2001-2002 year)***
February 24th – 25th, 2002

- **Dr. Alexej Kalionski presented his research on the NEXUS project: *Balkan Ethnologists on the Ethnogenesis of the Karakachans or How to Be a Karakachan in the Balkans.* At this meeting the entire NEXUS Team discussed the project of Dr. Kalionski and the proposal of the new Regional Associate Fellow, Ms. Ayse Parla, Turkey on the Bulgarian Turkish Minority.**

- NEXUS Senior Fellow, Dr. Slobodan Naumovic conducted a project presentation on his NEXUS three-year individual project on: ***Explaining Serbian Identity Splits 1: Neo-traditionalism and the Making of the “First” Serbia.***

- At this meeting the fellows also discussed the NEXUS team panel presentation at the Blue Bird Conference, 8-10.03.2002, Budapest and the Bologna Conference “**Nationalism, Identity and Regional Cooperation: Compatibilities and Incompatibilities**”, Special Convention CECOB/ASN, Forli, Italy, 4-9 June 2002.

- The NEXUS Team approved to extend an invitation to Prof. Halil Berktaç, Turkey to become a Distant Senior Fellow of NEXUS.

- ***Fourth Meeting of the NEXUS Senior and Associate Fellows (2001-2002 year)***

-

March 30 - April 2, 2002

March 30, 2002

- Prof. Halil Berktaç presented his NEXUS project proposal on: ***The Balkans and the Balkan Alterities in the Construction of Turkish National Memory.***

The NEXUS Fellows discussed and approved his proposal.

- NEXUS Senior Fellow, Dr. Alexander Kiossev presented his individual project: ***Places, Voices, Communities: Re-negotiating the Southeast European Imaginary Geographies***

March 31, 2002

- Balazs Trenszenyi, NEXUS Regional Associate Fellow conducted a presentation on his project on: *History and Community – The Rise and Decline of National Characterology in Central and Southeast Europe*
- Dr. Boyan Manchev presented the development of his NEXUS project on: *Theorizing the Identity: Figures of National Identity Discourses in Southeast Europe*

April 1, 2002

- Dr. Dessislava Lilova made a presentation on the individual research project: *Imagining the Nation / Imagining the Balkans. Bulgarian Models of Otherness during the Ottoman period (until 1878)*
- The NEXUS Team deliberated extensively on the project presentations, approved with satisfaction the current development of the presented individual papers and added some useful comments and critical recommendations to the research work.
- NEXUS Fellows and Ivan Kratsev discussed the ongoing activities of the project, the relationship between NEXUS and the Blue Bird Project and the Interim Research Report.
- Dr. Kiossev informed the entire NEXUS team about the forthcoming conferences and the important deadlines, according to the NEXUS Timetable 2002.
- The NEXUS Fellows approved unanimously the application and project proposal of Prof. Halil Berktaç and he was selected officially as a Senior NEXUS Fellow for the period April 1, 2002 – October 1, 2003.

- ***Participation in the virtual discussions of the Associate Fellows Projects (October –April 2002)***

All members of NEXUS Team had to participate in the virtual discussions and the new Associate fellows submitted written comments of the finalized research projects of former Associates and the new fellows. The most interesting project proved to be the paper of Dr. Albena Hranova, which had received positive comments by three Associate Fellows.

- ***Application to the Wissenschaftskolleg for additional fellowship for Associate Fellows.***

At the proposal of the Wissenschaftskolleg-zu-Berlin, the Centre for Advanced Study submitted an application for the selection of additional associate fellows for the current academic year. On December 18, 2001, Dr. Katharina Biegger sent an official letter for the approval of 2 additional fellowships – one for a Bulgarian Associate Fellow and one for a Regional Associate Fellow for the period of six months starting February 1st, 2002.

The selected Bulgarian Fellow is **Dr. Blagovest Zlatanov**, who was the first in the list of non-selected applicants from final selection. On December 27th, 2001 CAS announced the new Call for Applications for the 1 additional NEXUS Regional Associate Fellowship, with a final application deadline – January 20th, 2002. Over 15 researchers have applied and several more are interested in the project. The

final selection of the Regional Fellow was announced on February 1st 2002 and the selected Regional Associate Fellow is *Ms. Ayse Parla* from Turkey.

- *Blue Bird Coordinators' Meeting in Budapest, January 17-18, 2002, Central European University, Budapest*
Dr. Alexander Kiossev, NEXUS Convenor, participated in the Coordinators' Meeting and reported on the current development of the NEXUS Project.
- *Panel presentation of NEXUS at the Blue Bird Conference, 8-10 March 2002, Budapest.*
NEXUS Senior Fellows – *Dr. Alexander Kiossev, Dr. Diana Mishkova, Dr. Slobodan Naumovic and Prof. Vintila Mihailescu* took part in the Blue Bird Conference with a panel presentation of the NEXUS Project.
- *Preparation for the panel presentation of the NEXUS Project at the Bologna Conference "Nationalism, Identity and Regional Cooperation: Compatibilities and Incompatibilities", Special Convention CECOB/ASN, Forli, Italy, 4-9 June 2002.*
- *Selection of Prof. Berktaş, Sabanci University, Turkey* for a Senior NEXUS Fellow (April 2002 – October 2003)

C. Technical facilities and library services

For the purposes of the research of all NEXUS Fellows the following new technical equipment have been installed during the period September 15th, 2001 – January 15th, 2002 in order to facilitate the work of the NEXUS Team at the Centre for Advanced Study in Sofia:

- HP multi-colored scanner;
- HP Laser-Jet Network Printer;
- HP CD writer;
- Digital Xerox Machine (purchased by the Centre for Advanced Study)

Library

- In January 2002, the Library at the Centre for Advanced Study has subscribed to a number of foreign academic periodicals in the field of Balkan Studies, which had been selected and recommended preliminary by the NEXUS fellows.
- In order to facilitate the research of NEXUS Fellows, the Library provides lending and interlibrary loan services; reference materials; access to the EBSCO online databases and the currently developed automated catalogue of the library.
- In April 2002 the library of CAS received a donation from the National Library with bibliographic reference materials.
- The electronic database of the library is in its final stage of development and will be released soon for library use.
- At the end of April the library will purchase a lot of foreign books related to the Balkans.

D. Research Proposals on Participants in Nexus Project

Senior Fellows 2000-2003

1. Dr. Alexander Kiossev

Project title: *Places, Voices, Communities: Re-negotiating the Southeast European Imaginary Geographies*

The project studies the constitution of two alternative symbolic codes produced by “high culture” and by “anthropological” cultures. It claims that in contrast to the literatures of nationalism, (which produce divergent and/or overlapping “ideal homelands” assuming clear national distinctions and definite boundaries), the common Balkan anthropological heritage (eating habits, clothing styles, body culture etc.) transcends national boundaries and seems at least similar throughout the region. This discrepancy between the identity models, produced by “high” culture and that offered by popular culture, challenges the official national representations and opens unexpected opportunities for alternative, trans-national acts of “recognition” – i.e. of multiple and dynamic acts of identification and counter-identification.

Useful comments and critical remarks made by other NEXUS fellows:

- situate the investigation of the spontaneous acts of identification in a historical context;
- develop the heuristic potential of the “recognition” metaphor and analyse the way it merges cognitive, political and psychological aspects.

2. Dr. Diana Mishkova

Project title: *When the Door is Open, Fresh Air Comes in with the Dust. The Balkan Discovery of Europe*

The project is broadly concerned with the Balkan views of the modern world and the Balkan peoples’ perceptions of their own place in it. Diana Mishkova’s basic argument is that the relationship between the Balkans and Europe has always been a process of mutual discovery and invention. “The Balkan Discovery of the West” is seen as the antipode of Balkanism, the drawing of a mental map of Imagining Europe. It is not an equivalent to Occidentalism, or study of the way the West had been essentialising itself. The project aims to examine the ways in which the peoples of the Balkans have understood, construed, acclaimed or renounced Europe and Europeaness.

Not yet discussed.

3. Dr. Slobodan Naumovic

Project Title: *On “Us” as “Them”: National Identity Splits and Meta-National Identifications - The Serbian Case in Comparative SEE Perspective*

Slobodan Naumovic investigates the logic behind contemporary politically-induced cleavages in Serbian society and assesses the influence that such cleavages can exert on various forms of re-inventing Serbian national identity. Focusing on the tragic past decade, Naumovic claims that traditional cultural symbols, values and narratives have been instrumentalised by post-communist, populist and nationalist political agendas, which reinvigorated existing, and created new, political cleavages in Serbian society.

Concentrating on the partly convergent rhetorical and ritual aspects of the divergent political practices (pro-Milosevic and pro-Western), Naumovic claims that these cleavages became the foundations for the establishment of two mutually exclusive imaginings of Serbia – the so-called “two Serbias”.

Useful comments and critical remarks made by other NEXUS fellows

- distinguish between the “imaginary Serbias” and the real Serbian society consisting of a variety of groups, majorities and minorities;
- the image of the dominant Other is necessary for the construction of identity – yet, is there an equally strong image of the repressed brother (the poor Balkans) and, if not, why?

4. Prof. Vintila Mihailescu

Project title: *Identity as Specificity. A Case Study in “Originalist Ideology” and its Legacy in Romania*

The basic claim of this project is that the various discourses of "diffuse ethnology" construct an ideal Village as the origin and source of specificity of Romanian society. Despite their variety and mutual competition, they share a certain originarist/ethnicist ideology and present the Village as the natural root of both national knowledge and national policy.

Not yet discussed.

5. Dr. Roumen Avramov

Project title: *Mapping Economic Identities – Southeast Europe and “Europe”*

The project re-examines the current transition in Bulgaria in the light of the country’s historical legacy. It claims that the more sensitive topics from the past decade’s economic agenda have to be considered from the viewpoint of persistent and recurring patterns of economic behaviour. This historical approach delineates a clear profile of the national economic culture, remarkably stable and inert, and affords an insight into the roots of many shortcomings the country has faced after the fall of communism. The project’s further claim is that there are not only historical but also regional patterns of *economic identity* in the Southeast European countries. These patterns are formed by several distinct building blocks - the dominant personal and institutional views on the basics of economic life; the prevailing *clichés* about national economic idiosyncrasy; the institution-building; and, finally, the economic identity embedded in the myriad random everyday economic acts.

Not yet discussed.

6. Prof. Halil Berktaş

Project title: *The Balkans and the Balkan Alterities in the Construction of Turkish National Memory*

This project involves a screening of Turkish materials for discourses about, or representations of, the Balkans in order to elucidate certain crucial points concerning the role or use of Balkan alterities in the construction of Turkish nationalism. Within the temporal limits of the NEXUS Project, Balkan-related findings can be presented in the form of a number of working papers, including, for example:

- (a) methodological notes on the linkages between nationalism, a national grand narrative, the “golden age” focus of a national grand narrative, and the notion of a discrete and selective “national memory”;
- (b) further methodological notes specifically on the notion of “national memory” and its research applications;
- (c) a critical survey of the scholarly literature concerning the origins and early development of Turkish nationalism;
- (d) close readings of early 20th century Turkish fiction and poetry for evidence of Balkan alterities;
- (e) close readings of Ottoman/Turkish textbooks of the 1910s and 20s for evidence of Balkan alterities;
- (f) the Balkans in the academic historiography of 20th century Turkey, with particular focus on the canon-making decade of the 1930s;
- (g) the Balkans in Turkish textbooks: from the 1950s to the present.

Not yet discussed

Associate Fellows 2000/2001

1. Dr. Roumiana Preshlenova, NEXUS Associate fellow 2000/2001

Project title: *Frontiers Revisited. Building up Identities in the Context of the Balkan Economic Development 1878-1912*

The study raises the question to what extent the interplay of *smallness, backwardness and poverty* allowed, in national/regional identity, a large “cosy” space for the dominance of policy (political considerations, arguments, acts etc.) and a related irrationalism over economic rationalism.

Useful comments and critical remarks made by other NEXUS fellows:

- reveal more clearly the adhesion of political and economic motifs in identity building, as well as explain the reasons for it;
- emphasize the clash between economic rationalism and nationalism as well as stress poverty as an identity-building factor;
- explain the advantage of applying a biographical approach to collective identities, dilemmas, splits etc.

2. Mr. Bojan Dimitrijevic

Project Title: *Militarism and the Creation of Social Identities Since 1945. Comparative Study on the Cases of Yugoslavia and Bulgaria*

The project’s general idea is to define and analyse the impact of the Bulgarian and Yugoslav Armies on the creation of social and political identity within the respective state from World War II until the present day. Both armies have built their identities within states which had party-run paramilitary organizations; the project investigates the similarities and differences in the identity-building process in this context (including the communist appropriation of old nationalist stereotypes, various historical shifts and transformations etc).

3. Dr. Albena Hranova

Project Title: *The Balkan Fictional History: No More European, Not Only Ottoman, and Not Yet National. A Case Study on the Historical Novel*

(previous title: How do Four Texts Think about the Balkans)

This paper targets the investigation of the basic metaphors conceived as “Balkan” – the bridge, the gate, and the crossroads - in a comparative aspect. By means of rhetorical and discursive analysis of several historical novels, it claims that there is no available language of Balkan self-representation different from “the voice of the European”. The whole act of representation appears as “given” by another cultural hero’s point of view, the formulae of “the Balkan” happen to be imposed from the outside, even when the text initiates a nationalist assumption. The capability of representation also refers to the notion of “in-betweenness” and the difficulties of the Balkan choice between the “longing for history” and the “horror of history”.

Useful comments and critical remarks made by other NEXUS fellows:

- enlarge the mythological perspectives of the analysis by means of archetypal criticism to deepen the philosophical element.

4. Dr. Petya Kabakchieva

Project title: *From Local to Regional Identity? The Possible Construction of "Cross-Border" Regional Identity. Case Study of a Border Region: Smolyan*

The paper deals with the emergence of the Euro-region “Rhodope”, uniting Rhodopean municipalities in Southern Bulgaria and Northern Greece. It analyses the historical prerequisites, which enabled the regionalist ideology developed by local elites, as well as the new social situation causing the emergence of new regionalism. In its theoretical part, the paper elaborates the concept of the region as a configuration of different centre-periphery constructions covering spatial zones of varying size. The main hypothesis is that now “Europe,” the EU, is emerging as a new Centre, both symbolic and economic, able to constitute new regions that are peripheral in regard to the nation-state but in accordance with the “Europe of regions” ideology, thereby legitimising the appearance of a new regionalism.

Useful comments and critical remarks made by other NEXUS fellows:

- reveal a more detailed “sociological” profile of the actors of the processes studied;
- analyse who exactly opposes the trends described, what arguments they invoke, what their expectations are, and how the observed trends affect their existing or changing interests.

5. Dr. Marius Lazar

Project Title: *Switching Antagonist Roles: Conflicting Identities and Majority/Minority Reactions. A Case Study on the Region of Szeklerland – Transylvania*

The project describes the majority/minority relationship in a region of Romania in which members of the dominant national group are in a minority and the minority representatives – in a majority. The perceived situation outside the region often leads to the impression that ethnic tension is mounting, even if the region is in fact quiet and no major conflicts are reported. Both conflicting ethnic groups, Romanians and Hungarians, have based their national identity models on the Romantic concept of the Nation and on

cultural nationalism. In the course of history, they have come to assert mutually incompatible identities. On the other hand, members of the two communities have developed everyday strategies to avoid confrontation and maintain normal relations. The investigation analyses the relationship between ethnic and national identities of the members of the two groups and everyday interactions based on their switching of roles as constituents of a majority or a minority. Also, the project tries to reveal when, how and under what circumstances the common social actors use conflict-avoidance techniques and what the consequences are for ethnic self- and hetero-perceptions of the people inside and outside the ethnic group.

Useful comments and critical remarks made by other NEXUS fellows:

- elaborate further the problem whether all the Romanians/Hungarians in Szeklerland use the reference to their national identity similarly or whether there are different categories with more or less distinct practices;
- analyse the distinct role (if any) of the elites;
- outline the nature of the main conflicting issues and determine whether there are any occasions or contexts in which a local belonging/identity is activated irrespective of the ethnic structure of the region.

6. Dr. Iliia Iliev

Project title: *Price and Prejudice. Using Second-hand Clothes in Post-socialist Bulgaria.*

The first part of the text offers an ethnographic study of the use, in contemporary Bulgaria, of second-hand clothes imported from the West, and of their specific status between a gift (a gift that cannot be returned, i.e. charity) and merchandise. The second part of the text focuses on the imaginary links between the people who use second-hand clothes and their counterparts in Western societies. The local concept of “normalcy” is employed to analyse these links; the actors constantly refer to the “normal” Western societies when interpreting their everyday life, their social networks and their position in the contemporary Bulgarian society. Specifically, the paper analyses the way the social identity of several contemporary Bulgarians is constructed in constant reference to their imagined counterparts in Western Europe.

Useful comments and critical remarks made by other NEXUS fellows:

- analyse the psychological implications of the specific status of the second-hand clothes (between a gift and merchandise);
- analyse the commodification of charity;
- use the current debates on globalisation as principal theoretical context.

Associate fellows 2001/2002

1. Dr. Boyan Manchev

Project title: *Theorizing the Identity: Figures of National Identity Discourses in Southeast Europe*

This project aims to prove the fictitious character of nationalist discourses, i.e. to unveil the basic figures on which these discourses are based. It claims that the national identity models, developed by national literatures and national philosophies, are specific onto-ideological legitimisations, related both to universal conceptual regimes and to concrete, contextual political usages.

Useful comments and critical remarks made by other NEXUS fellows

These concerned mainly the historical and contextual scope of the research:

- focus the research only on one historical period in comparative perspective;
- contextualise more extensively the discursive analyses.

2. Balazs Trencsenyi

Project title: *The Conceptualisation of Collective Identity and the National Character-Discourses in Romania, Bulgaria and Hungary in the Interwar Period*

This project seeks to prove that in the interwar period the vision of a unilinear historical evolution practically collapsed in all of the studied contexts. The intellectuals shaping a new national discourse had to take into account this shift and started to experiment with various other models of temporality. While the basic "European" coordinates of this transformation were rather similar, the local cultural climates formatted the new discourses in highly idiosyncratic ways, with a lasting impact on the canons of collective self-representation in these countries.

Useful comments and critical remarks made by other NEXUS fellows:

- explore the relationship of artistic and political discursive registers, especially in view of the position of avant-garde cultural projects in the region;
- explore the European context and the highly problematic relationship between modernity, modernism, romanticism and anti-modernism.

3. Dr. Tanya Chavdarova

Project title: *The Sole Proprietor in Bulgaria and Macedonia: Economic Culture*

This project is devoted to the comparative study of the culture of economic action by a particular agent: the sole proprietor in Bulgaria and Macedonia. It claims that Bulgaria and Macedonia today exhibit a special version of "cultural lag" (W. F. Ogburn): a discrepancy between rules, embodied in the official institutions and shaped according to Western models, and values, which make up the traditional economic culture. The greatest similarities between the economic culture of the small entrepreneurs in the two countries appear in the following areas: considering "safety first" rather than maximizing rationality; acting in loose networks to solve the trust-deficiency problems; relying on a combination of diverse capitals (physical, human and social), taking informal credit.

Useful comments and critical remarks made by other NEXUS fellows:

- change the project design – drop the historical comparisons;

- put special emphasis on the intra-state ethnic divisions/similarities in economic culture;
- Question: should such “similarities” in culture be viewed as deeply-embedded shared values, constant throughout the region, or as convergence in the reactions of small entrepreneurs facing “strange” institutional (formal) constraints?

4. Ayse Parla

Project title: *Harboring Irreconcilables: Border-Crossings and the Interrelation of Movement and Identity Among Turks from Bulgaria.*

The project addresses the immigrants of 1989 and the interrelation of movement and identity: it describes the Bulgarian Turks as dynamic social agents, objects of a complex strategy of exclusion/inclusion by both the Bulgarian and the Turkish national ideologies. Bulgarian Turks who arrived in Istanbul as part of the massive migration wave of 1989 (expelled by the late and aggressive communist variant of Bulgarian nationalism) were forced to cope with, and expose, the ruthless logic of Turkish nationalism that reclaims them as “racial kin” (*soydas*) at the same time as it marginalizes them as “the Bulgarian” immigrants. In this peculiar in-between situation their mental maps challenge the conventional borders of cultures, “true homelands”, states and identities. Being in a process of permanent border-crossing, their institutional and civic positions are ambiguous: there exists a special tension between their dream and their nostalgic “homelands” and they develop specific “diffuse” and double identities.

Useful comments and critical remarks made by other NEXUS fellows:

- demarcate more clearly the mentioned distinction between identity and belonging;
- investigate the role of the Kemalist legacy in the obliteration of the Balkan dimension within Turkish nationalist ideology;
- emphasize the pre-existing differences between Bulgarian Turks and Turkish Turks in terms of modernity, statehood, high cultures and educational systems.

5. Dr. Alexei Kalionski

Project title: *Balkan Ethnologists on the Ethnogenesis of the Karakachans (previous title: How to be Karakachan in the Balkans)*

The prevailing views on the Karakachan community involve concepts of the “prehistoric” or “distant” past of the region. Karakachans are represented as a “living relic”, an “archaic” cultural tradition in accordance with the established ethnogenic constructs and chosen “ancestors” in the respective national history narratives. The project claims that, contrary to these prevailing views, “post-nomadic” Karakachan generations demonstrate new strategies for securing an economic, social, individual and collective place among the “big” nations and cultures, re-defining their identity as “existing among fragments” (J. Clifford).

Useful comments and critical remarks made by other NEXUS fellows:

- greater attention should be paid to the role of the Karakachans as a metaphor (nomads, “our barbarians”, symbols of cross-border migrations) in the ethnography and history of the region;

- the classical discourse about *being* (constructed and promoted by, for instance, the Arumanian intelligentsia) co-exists with the more mundane life concepts of *belonging* to a community. This nuance is important in the Karakachan case, too.
- It will be difficult to balance between the two levels/research perspectives: fieldwork/interviews, and ethnographic, geographic and historical texts dealing with the Karakachans. One possible focus could be how the Karakachans (and other Balkan local people) switch between different ascribed identities, self-identities, roles etc.

6. Dr. Dessislava Lilova

Project Title: *Imagining the Nation / Imagining the Balkans. Bulgarian Models of Otherness during the Ottoman period (until 1878)*

(previous title: The Shared Balkan Past in Bulgarian Historiography before Liberation)

This project focuses on the effect of the specific manner of building the national education system during the Ottoman period – the absence of financing and control on curricula by either the Ottoman state or the Eastern Orthodox Church. It claims that the specific features of this process (decentralisation; deficit of authority, qualifications and a single set of values; mundane character and democratic forms of managing the system; unusual activity of the lower classes etc.) led to a slow consolidation of the national community marked by low integration, inherent instability and the formation of alternative identity models. One of the most interesting among them was the model of the regional community as a format for representation of the Bulgarian identity. Thus the project tries to answer two major questions: ‘How was the regional community constructed?’ and ‘What were its chances of becoming a leading norm for imagining the nation?’

7. Dr. Blagovest Zlatanov

Project title: *The “Holy” Territories of the European Southeast: Kosovo, Transylvania, Macedonia*

Examining several key historically-contested territories and using the methods and techniques of political geography and several other disciplines, this project assesses contemporary clashes within Southeast Europe. The disputes between Serbia and Albania on Kosovo, Hungary and Romania on Transylvania, and Greece and Bulgaria on Macedonia have been, at different times, symbolic or real struggles concerning the legitimate rights over the name, the territory, and the loyalty of its inhabitants. What the project will actually attempt to reveal is a crucial lack of appreciation of the link between territory and identity on the part of political scientists and scholars of international relations, and an equally limiting overstressing of socio-psychological factors by academics of other disciplinary backgrounds.

Useful comments and critical remarks made by other NEXUS fellows:

- Clearly, in the case of Kosovo, Transylvania and Macedonia more has to be done if we are to appreciate more completely the social construction of the myriad links between nested identities and territories and their politico-geographical consequences.

- A distinction should be drawn between a territory which is considered useful and strategically necessary and a holy territory, although the two are not mutually exclusive.
- The NEXUS topic is not limited to the problem of how national identity relates to territory. It addresses the multitude of competing identities and acts of identification and their plural and competitive projections in space (overlapping maps, incompatible narratives, mutually hostile names).

8. Dr. Maria Nikolopoulou

Project title: *Space, Memory and Identity: The Memory of the Asia Minor Space in Greek Novels of the 1960s*

This project focuses on Greek literary texts referring to the refugee experience from a certain distance in time. The refugee identity, defined by displacement, interacts with the temporal distance and the awareness that the identity-constructing space exists only in memory, since it is taken over and altered by others. The identity constructions are shaped both by pre-modern and modern legacies (the empire legacy, the antagonism between Greek and Turkish nationalisms) and by genre perspectives and discourse struggles. The space commemorated becomes a palimpsest of projections where the function of place names becomes symbolic of the interaction of memory, identity and space. The basic hypothesis of the project is that the refugee identity, which challenges the essentialist national discourses, was employed in the 1960s by the Greek Left to subvert the nationalist discourses promoted by the state.

Useful comments and critical remarks made by other NEXUS fellows:

- Why is this traumatic experience so important in the Greek case, while it is silenced in Bulgarian case and unimportant in the Turkish case? This question could introduce a comparative approach, however, it would face a significant lack of data to be interpreted.
- Does Asia Minor belong in the Balkans and do Greeks remain Greek in Asia? This raises the issue of the Greek mental mappings and the issue of what it means to be a Greek, which are very important for this project.

E. State of Ideas

NEXUS and the Dynamic Multicultural Image of the Balkans

An overview of the research problematic and the research work that has been done

Dr. Alexander Kiossev,

Convenor of the NEXUS project

(With contributions by all members of the project)

The NEXUS methodological endeavor started with elaborating three anti-reductionist concepts as a guiding framework - the integral-heterogeneous concept of culture, the dynamic and multidimensional view of the relationships between cultures and space, the interpretation of identity not as a preordained essence but as a flexible cultural process.

In order to create the in-depth complex picture of the Balkan cultures as a precondition of various identification acts, the NEXUS team had to avoid two important pitfalls - it had to distance itself from both the *Scylla* of Balkanism and the *Charybdis* of the various local nationalisms.

In contemporary scholarship Balkanism is interpreted as the dominant Western strategy for representing the East European periphery. In the last decade it has been the subject of critical analysis in several publications¹. According to Larry Wolf during the Enlightenment the symbolic geography of Europe was reshaped and the backwardness and “barbarism” of the North was projected over the Southeast. Maria Todorova’s inspiring book “Imagining the Balkans” claims that: “Unlike Orientalism which is a discourse about an imputed opposition, Balkanism is a discourse of the imputed ambiguity.”² Todorova draws attention to the Balkans’ “transitory character,” their “in-betweenness ... [which] could have made them simply an incomplete other, instead they are constructed not as ‘other’ but as incomplete ‘self’.”²

As a rhetorical technique the discourse on Balkanism is double-bottomed. It always uses two series of predicates: the first describing details close to the undeniable facts, both historical and contemporary - bloody Balkan wars, political intrigues and irrationality, nationalistic hysteria, senseless fragmentation into weak small states, governmental chaos, poverty, economical and intellectual backwardness. Disregarding facts and details engaged in the ancient asymmetric power play between occidental and oriental identities, the second series of predicates reproduces the archaic sign of mockery, shame and nausea towards the “semi-other” who frustrates the completeness of the occidental self. On the level of tropes and connotations, this implicates that the peninsula is a disgusting and obscure place “where everything is perverted”; for those who share this attitude the Balkans stand for the contaminated kingdom of repressed European daemons: cruelty, machismo, hysteric passions for murder, barbarism, ignorance, arrogance, undisciplined eroticism, pollution, forbidden corporeal pleasures and dirtiness.

¹ One can find interesting insights about the nature of Balkanism in the books and articles of Larry Wolf, Eli Skopetea, Milica Hyden-Bakcic, Maria Todorova, Alexander Kiossev, Dimitar Kambourov and many others.

² Ibid, p.18

On the other pole, the official nation states Balkan cultures have had for decades, if not for centuries, have been trying to escape the stigmatized territory of the “dark Balkans”. As rhetoric technique nationalisms used the classical form of Grand narratives: they presented nations as the single recognizable agents of history, rooted in a sacred, authentic homeland and marching through the global scene of world progress. Each of these separate narratives is taking pains to distance the nation in question from the uncivilized company of its Balkan neighbors; it tries to affiliate that nation with Europe and explain its formation through the traditional models of Western nation building: emancipation, political sovereignty and cultural authenticity, the right of the nation to participate in history, national dignity, expectations for world recognition, etc. While Balkanism fatally bounds all identities to the image of the stigmatized peninsula, nationalisms establish a dual, "us and Europe" relationship, creating an imaginary bridge between the ideal homeland and Europe, and dropping the Balkans out.

Balkanism and nationalisms were strategies of imaginary homogenization, albeit different ones. Using both as departure points, NEXUS tries to develop an integral, dynamic and *longue duree* picture of the SEE cultural heterogeneity and the controversial games of identities.

Given that effort, the interdisciplinary frame of the project (balancing between history, anthropology, sociology and cultural studies) as well as its format (consisting of individual case studies) proved to be the adequate tool. NEXUS covers a temporal span of one and a half centuries, and, in more than 20 individual case studies, it investigates various “maps” of cultural identities, their conflicts, mutual problematizations and overlappings. The project investigates the way flexible and heterogeneous cultures and complex and hybrid identities are projected in space, departing from both Balkanism and nationalisms.

To do that, we focused our research on six core topics:

1. How national identities were and are constituted in the frame of, or in opposition to, various types of modernizing political projects. This research topic addresses the controversial constitution of traditional narratives, the construction of national territories and imaginary "homelands". But it also refers to the construction of the national Other - the traditional images of "Europe", "the West", the civilized world" etc. Here we have the projects of Diana Mishkova, Slobodan Naumovic, Balazs Trencsenyi, Boyan Manchev, Bojan Dimitrievic.
2. How "regions" are produced (Vintila Mihailescu, Petya Kabakchieva, Marius Lazar, Blagovest Zlatanov, Dessislava Lilova).
3. What are the cultural and mental maps of minorities, how are their diffusions, splits and problematic identities projected in space (Alexey Kalionski, Marius Lazar, Ayse Parla).
4. How the symbolic codes of the imaginary geography and imaginary history are constituted (Albena Hranova, Alexander Kiossev, Maria Nicolopoulou, Boyan Manchev).
5. How the ideological mental maps are implied in anthropological everyday activities such as cuisine, clothing, housing etc. (Vintila Mihailescu, Iliia Iliev, Alexey Kalionski, Ayse Parla).
6. A comparative study of economic cultures on the Balkans (Roumen Avramov, Tanya Chavdarova, Roumyana Preshlenova).

This is a relative division - some projects cross over its borders and address two or even more core topics.

1. How national identities are constituted in the frame of various types of modernizing political projects.

Some contributors (Slobodan Naumovic, Diana Mishkova, Balazs Trencsenyi) have critically analyzed national and cultural identity projects and their relationship to cultural geographies and historical narratives. Following the rich tradition of "nationalism studies", and NEXUS' own striving for the deterritorialization of culture by showing the variety of its spatial projections, they attempt to demonstrate how nationhood, national narrative and national territory were constructed by means of traditionalist rhetoric and a wide repertory of ideological options.

Balazs Trencsenyi's project *The conceptualization of collective identity and the national character-discourses in Romania, Bulgaria and Hungary in the interwar period* reconstructs the discursive traditions of Romania, Hungary and Bulgaria after the crisis of the First World War, focusing upon the relationship between collective identity and normative past in these countries. The author investigates the development of "etho-metaphysics of the nation" after WWI, where the "national soul" and physical geography (mountains, rivers, planes) merge into an a-historical and seemingly a-cultural national metaphysics.

Boyan Mancev's project *Theorizing Identity: Figures of National Identity Discourses in Southeast Europe* is seeking to examine basic categories and figures of national identity-building in Balkan literatures and national philosophies with regard to their onto-ideological legitimization, their relation to universal conceptual regimes and their concrete political use. Two main ideological types will be determined within the principally conservative regime of identity-building discourses: *national aestheticism* and *national exoticism*. The former views the nation as a personification of universality (the European cultural universality in the occasion) while the latter finds national essence in the autochthon, in what is hostile to the universality. The poetical and philosophical metamorphoses of these two ideological modes will be examined within the historical frames of the modernist and anti-modernist movements in the Balkan cultures.

Boyan Dimitrievic's project *Militarism and the Creation of Social Identities since 1945. A comparative case study of Yugoslavia and Bulgaria* tried to locate the impact of the Yugoslavian and Bulgarian Armies on the formation of social and political identity within their respective states since WW2. Within their own societies both armies have played an important role for the creation of "state identities" with all their peculiar ambiguities and contradictions.

The initial design of **Diana Mishkova's** research (initial project title "When the Door Is Open, Fresh Air Comes In With Dust". *Concepts of Modernity in Southeast Europe 1870s-1930s*) had been centered on the national/regional adaptations of and debates over European "models/constructs" at whose core lay the concepts and interpretations of Modernity. But, above all, it had focused on the "meanings" and ascribed "missions" of imported modern institutions as formulated and communicated by the political and intellectual thought in the Balkans. In time, however, D. Mishkova became aware that before approaching the question of the legitimizing power and content of notions (and corresponding institutions) such as "Balkan Democracy", "Balkan

Liberalism”, “Balkan Radicalism” or “Nationalism”, one has to have a more satisfactory idea of the locally articulated perceptions of these foreign models. Yet, as we already noted, acquiring such an idea does not lie ready at hand. Forming it would imply the examination of, at the very least: 1. The sources of Balkan knowledge concerning the West and the stages of its growth; 2. The images of and attitudes to “Europe” at least among political and intellectual elites; 3. Presentations of national identity within and between such taxonomies as East and West, Europe and the Balkans; 4. A “menu” of European sociopolitical ideas/ideologies deemed as indispensable or appropriate for local application, etc. Mishkova’s research in its present phase is therefore characterized by the emphasis it gives to the Balkan views of the world and the place of the Balkans and Balkan nations in it. In most of the recent anti-Balkanism writings the peninsula has appeared as the silent and passive victim. But the relationship between the Balkans and Europe has always been a dialogue rather than a monologue: the process of discovery and invention was mutual. The project aims to reconstruct the “The Balkan Discovery of the West”, an antipode of Balkanism, and a mental map of *Imagining Europe*. It is not meant as an equivalent to *Occidentalism* in that it doesn’t aim to reconstruct the way the West has essentialized itself, but rather to investigate the ways in which Balkan nations have understood, elaborated, acclaimed or renounced Europe and ‘Europeanness’ as well as the channels and agents of knowledge and the transfer of images. The scope of the research is fairly vast, even if reduced to two or three Balkan societies (and the project is explicitly comparative). But being an essentially pioneer attempt, it seeks to chart the dominant themes and convey the salient images in their diversity and dynamics, leaving the expert in-depth study to specialists in specific topics: political philosophy, cultural history or anthropology, economic history and history of ideas.

2. "How regions" are produced.

We started by rejecting the idea that the Balkans is a clear, stable and mono-cultural region associated with a clear and stable cultural identity. There is no single "culture of the Balkans" - not only because of the mosaic of states, ethnicities and religions, but also because the space of the peninsula was and still is always subject to various incompatible acts of tailoring - real as well as imagined. Thus, the project needed a developed critique of the concept of “cultural area” (since 1860 this concept has been elaborated by Bastian, Retzel, Frobenius, Schurtz, Graebner, the Vienna school, etc.) as well as of Clark Wissler’s concept of geographic cultural regions associated with a clearly defined "cultural pattern" (further elaborated by the American cultural anthropology). The critique was a contribution of Prof. Vintila Mihailescu; to quote just a small fragment, *"one should say that a region is always a mapping of a sharing/excluding strategy. There is always a reason in proclaiming the existence of a region - administrative, economical, political, strategically, etc"*. Vintila went on to list some of the most frequent (and obvious) types of such instrumental "regionalism": decentralization: dividing a political body into several subdivisions to ensure more efficient governing - as in the case of the administrative regions of France, or, for instance, the newly designed economical regions of Romania; independence: the rejection of a political body by one of its subdivisions - as is the case of most of the separatist movements in the world; local autonomy: having a "slippery" status between decentralization and independence, the local autonomy should be considered as an "extra

large" type of decentralization; affiliation: presenting one's culture as belonging to an usually more influential cultural/political space - as in the case of Romania, for instance, which wants to be affiliated with the Central-European region rather than the Balkans; integration: joining neighboring spaces into a new area of shared interests

V. **Mihailescu's** individual project *Identity as Specificity. A Case Study in "Originalist Ideology" and its Legacy in Romania* tries to bridge the first and second groups of projects. Looking at Romanian "diffuse ethnology" of the late XIXth century till WWII as an *ethnicist* discourse and a "state-building ethnology", he tries to understand how local pasts become meaningful as **our** past in **this** space and thus as a regionally rooted identity. This ethnicist discourse, considered as a symbolic practice, can be further instrumentalized through *traditionalism* or *nationalism* (at a broader level) or as different forms of *regionalism* and even *localism* (at a more restricted scale). Romanian "diffuse ethnology" thus becomes more of a case study, a way of better understanding how this specific type of symbolic identity-building practice is functioning and what its strengths and weaknesses are.

The proposed concept of "region" was elaborated and enriched by a number of other contributors (Marius Lazar, Alexander Kiossev, Petya Kabakchieva, Blagovest Zlatanov) who developed it towards a reflection on the multiple projections of cultural identities (acts of identification, cultural differences) in space.

Petya Kabakchieva's project *How a Cross-Border Region Becomes Possible. A Case Study of a Border Region: Smolyan* distinguishes between the natural and functional regions and the regions conceived as provisory financial, institutional and ideological constructions. Making her field research on a new "Euro-region" in the Eastern Rhodopa Mountain, supported by NGO elites in Smolyan, Bulgaria and Xanthi, Greece, she demonstrates that new regions/new identities are articulated following the new global "centre-periphery" condition. Globalization (in the case she has studied) intensifies regionalism, perceived as a departure from the nation-state model; it enables the rise of symbolic and economic centres other than the nation-state and therefore the articulation of new "regional" sites of cultural identities. They are in position to instrumentalize and appropriate the old spatial, seemingly neutral spatial symbolism (the "void" symbol of the natural region and its legendary history - the Rhodopa Mountain itself).

Blagovest Zlatanov's individual research project *The "Holy" Territories of the European South-East: Kosovo, Transylvania, Macedonia* (still in its initial phase) seeks to develop an alternative notion of what a region is: unlike Kabakchieva, he intends to analyze not new regional institutional constructions, but rather the conflicts and debates around phantasmatic "sacred" places. He will investigate the debates and the conflicting symbolic construction of sacred territories, analogous to the religious sacred sites - the Serbian- Albanian controversy on Kosovo, the Bulgarian myth of Macedonia, the Romanian and Hungarian constructions of Transylvania). Much like Pierre Nora's "places of memory", Zlatanov regards these "holy places" as sites of contesting identities and narratives.

Dessislava Lilova's project *The Shared Balkan Past in Bulgarian Historiography before Liberation* aims to analyze the way in which Bulgarian historic narratives have used the shared past of the Balkans to construct them as a region. The author focuses on how they interpret the key events and key actors where the neighbors participate; she proceeds to investigate which of them were later included in the national narrative, the principle upon which the "allies" or the "enemies" are identified. Lilova poses such

questions as: Is the image of “the other” a constant value? What key is the regional community conceived in – territorial, government/administrative, denominational or ethnical? Does Europe suffice as a geographic vision and civilization utopia in outlining the borders of the global motherland? How do Balkan neighbors define their European affiliation – as individual or group “membership”?

3. How the symbolic codes of the imaginary geography and imaginary history are constituted

The “real” geographies have been challenged by a group of three other individual research projects. Albena Hranova’s project *Balkan Fictional History: No More European, Not Only Ottoman, and Not Yet National - A Case Study on the Historical Novel* is dealing with the rhetoric construction of imaginary geography per se - it investigates the lexicon of crucial metaphors, metonymies and tropes, as well as their various historical and generic fate, in order to delineate the internal potential of discursive mental mapping. For example, Hranova deals with the transformation of metaphors, typically designed for transcending the "homeland-Europe" opposition - such as "bridge", "crossroad" and "cross".

Alexander Kiossev’s project *Places, Voices, Communities: Re-negotiating SEE imaginary geographies* deals with the constitution of two alternative symbolic codes produced by the “high culture” (he analyzes some classical texts of Balkan literatures) and by the “anthropological” cultures. The literatures of nationalism produce divergent and/or overlapping “ideal homelands” - visionary territories, demarcated by the major geographic emblems of the nation (mountains, rivers, valleys, seas etc.), "typical national landscapes", "typical" villages, glorified "sacred" national sites, ruins, battlegrounds laden with myths and historical fame etc., presupposing an ideal and homogeneous national audience which inhabits the pure “homeland”.

In contrast to the construction of these pure “imaginary homelands” which imply clear national differences, national literatures meet a serious problem by confronting the common Balkan anthropological ‘legacy’ – food, cuisine, clothing, body culture etc. They create various strategies for national appropriation of this “non-national” level of culture - yet, at the same time they create also “in-between”, displaced images of this anthropological “Balkanness” which often block the dominant identity patterns. The ways Balkan similarities are represented may open unexpected opportunities for multiple “astonishing” experiences of a dark intimacy with the hated neighbors - alternative identifications and counter-identifications.

The last part of the research will deal not with literature, but with examples of the recent Balkan popular culture which is able to turn the lowermost picture of the Balkan upside down and to convert the stigma into a joyful consumption of pleasures, forbidden by European norms and European taste. Contrary to the traditional dark image, the new popular Balkan culture arrogantly celebrates the Balkans as they are: backward and oriental, corporeal and semi-rural, rude, funny but close, intimate. As an act of counter-identification, it scandalizes the “civilization standards” and the “borders of taste, shame and uneasiness” (Norbert Elias) and combines into a controversial structure the warmth and familiarity with “oriental” epatage - it is a kind of willing regression into the great

scandalous Balkan "neighborhood", on the outside of both Europe and the annoying official homelands.

Maria Nikolopoulou's project *Space, Memory and Identity: The memory of the Asia Minor Space in Greek Novels of the 1960s* deals with the Greek literary texts which refer to the refugee experience from certain time distance. The refugee identity, defined by displacement, interacts with the temporal distance and the awareness that the identity-constructing space exists only in memory, since it is taken over and altered by others. The identity constructions are shaped both by pre-modern and modern legacies (the empire legacy, the antagonism between Greek and Turkish nationalisms) and by genre perspectives and discourse struggles. The space commemorated becomes a palimpsest of projections where the function of place names becomes symbolic of the interaction of memory, identity and space.

4. What are the cultural and mental maps of minorities; how are their diffusion, split and problematic identities projected in space

The second challenge to the national articulation of space is the anthropological research of minorities, which are denied an active role in the national states and its institutions. In this direction develop their different case study Marius Lazar (addressing the Szeklers and Szekerland in Transylvania), Alexey Kalionski (dealing with the Greek-Bulgarian Karakachans) and Ayse Parla, who investigates the peculiar double identities of Bulgarian Turks after the great exodus of 1989 and after their partial return to Bulgaria (1992 - ???).

In his project "***Switching antagonist roles: conflicting identities and majority/minority reactions. A case study on the region of Szeklerland – Transylvania***" **Marius Lazar** clearly demonstrates that majority and minority identities are not naturally given. He explains the ethnic tensions in the region in terms of political biases and inter-elite competition and prefers a social mapping to an ethnic one. To quote: *The majority – minority game becomes in the end a role-play that varies depending on the system of reference – and the apparent "schizophrenia" or "identity confusions" – a means of contradictory management of some role conflicts. The majority discourse is, in essence, the same; it is assigned to a social role, not to a particular ethnic group.*

Alexey Kalionski's project *How to Be Karakachan in Bulgaria* investigates the Karakachan minority, a case study of the problems of Balkan identities, more particularly the relations with the past and trans-border identities. Karakachans speak a specific Greek dialect that, together with their former way of life and cultural tradition, makes them different from both Greeks and Bulgarians. The intellectual representatives of the community offer their own reconstructions of the past in order to find its place among the big nations. There is some tension between the different necessities - the desire to stress the fact that they are "genuine Greeks" and the awareness of the different cultural tradition; the Bulgarian nationality and the status of an ethnic minority; the archaism of customs and the EU passports held by many of them. The project studies the inner dynamics of these reconstructions, the motivation and logic behind each one of them. Kalionski demonstrates how a nomadic/post-nomadic minority is constructed by the others as the "Balkan barbarians", accumulating all conventional predicates Balkanism ascribes to the peninsula as a whole. He analyses the split between this ideological

“nomadic” image of Karakachans and the complex reality of their contemporary settled life in Bulgarian and Greek social environments.

Ayse Parla’s project (no working title) describes the Bulgarian Turks as dynamic social agents, objects of a complex strategy of exclusion/inclusion by both the Bulgarian and the Turkish national ideologies. Bulgarian Turks who arrived in Istanbul as part of the massive migration wave of 1989 (expelled by the late and aggressive communist variant of Bulgarian nationalism) were forced to cope with and expose the ruthless logic of Turkish nationalism that reclaims them as “racial kin” (*soydas*) at the same time as it marginalizes them as “the Bulgarian” immigrants. In this peculiar in-between situation their mental maps challenge the conventional borders of cultures, “true homelands”, states and identities. Being in a process of permanent border crossing, their institutional and civic positions are ambiguous: there exists a special tension between their dream and their nostalgic "homelands" and they develop specific "diffuse" and double identities. A special focus of the project is the mobile population among the immigrants of 1989 and the interrelation of movement and identity: how the migrant condition, with its voluntary and/or forced border-crossings -- both literally across geographical space, and metaphorically across the terrain of memory and in interactions with local Turks -- affect regional, national and ethnic identities and belongings.

5. How the ideological mental maps are implied in anthropological everyday activities

Some anthropological projects (the project of **Ilia Iliev** “*Price and Prejudice*”) seem focused on peculiar topics - such as second-hand clothing. Ilia Iliev claims that in post-communist Bulgaria the traditional status-bound act of buying clothes is related to the idea of normality and to the imitation of the desired "western" status: so the ambivalent strategies of both acquiring second-hand western clothes and masking them has a special relation to the acts of identification. He concludes that *the concepts of Europe and the Balkans play an important part in the self-understanding of the interviewed individuals, using them to explain their own situation and their own actions, i.e., the identity supporting and identity challenging acts of the mental mapping and phantasmatic border-crossing are implicit even in such simple everyday actions as this one.*

6. A comparative study of economic cultures on the Balkans: economic identities on the Balkans

A separate group of projects are those of Roumen Avramov, Roumyana Preshlenova and Tanya Chavdarova, which are supposed to bridge the gap between "cultural culture" and "economic culture". They stress the cultural patterns of economic behavior such as the awareness of smallness, periphery, dependence and backwardness, shared by the macro-economic decision makers in the SEE region (Avramov, Preshlenova), or the "pre-contracting elements" in the attitude of the micro-economic actor, the sole proprietor in Bulgaria, Macedonia and Turkey (the project of Tania Chavdarova).

Roumen Avramov’s project *Mapping Economic Identities – Southeast Europe and “Europe”* is dedicated to a re-reading of the current transition in Bulgaria in the light of the country’s historical legacy. The more sensitive topics of the last decade’s economic

agenda are considered through the point of view of persistent and recurring patterns of economic behavior. Foreign debt, external conditionality, financial institution-building, stabilization programs and corruption are analyzed in a *longue durée* perspective. The study is based on records from national and foreign archives as well as on pre-WWII data and documents. Similar core problems, stable schemes for facing them and mental attitudes are identified in both the “first Bulgarian capitalism” (1879-1944) and the ongoing transition to a market economy. The adopted historical approach delineates a clear profile of the national economic culture that allows understanding the roots of many shortcomings the country faces after the fall of communism.

In its comparative dimension the project explores the concept of *economic identity* in the context of the Southeastern European economic background. The genesis, the conflicting “production” and “import” of economic identity are considered. Economic identity is conceived of as formed by several distinct building blocks - the *cultural level* including the set of attitudes that reflect the dominant personal or institutional views on the basics of economic life; the “*imagery*” *building block* of the prevailing *clichés* about the national economic idiosyncrasy; *institutional building* with the genealogy and the enforcement power of the key economic institutions; and, finally, the economic identity embedded in the myriad of *elemental everyday economic acts*. Economic identity’s core elements are remarkably stable and prone to inertia. This has been confirmed once more in the spontaneous re-emergence of basic “old” behavioral patterns during the re-birth of capitalism in the 90s.

Economic identity is explored along different paths: the “production of economic self-identity”, the “import of economic identity” and the “qualitative metrics” of economic identity applied to SEE countries. Historical research has been combined with contemporary economic survey: the main topics are identified in the context of the 1990s and they include crisis management, comparative institutional and behavioral typologies of the financial systems, the typology of opinion leaders and decision-makers in the field of economic policy. In this context the “European perspective” – an imposition of clear economic identity from the outside - is particularly important. Probably, in the 27-member EU perspective, SEE economic identity would keep evolving into a kind of economic regionalism placed into a broader community. The borders of the European Monetary Union will set the outside borders of this realm. In an EU perspective the acceding SEE countries will face a qualitative change in the process of “import” of economic identity. At the same time the enlargement of the EU is a process that dilutes and changes deeply the Union itself. By and large, the enlargement is a challenging exercise entailing numerous risks for both sides.

R. Preshlenova has completed a study on “*Building up of identities in the context of the Balkan economic development, 1878-1912*”. She explores the conflictive identity-building process as reflected in the views of G. Nachovic – a prominent public figure at the turn of the 19th century. Preshlenova stresses the essential impact of the smallness of Balkan countries in the shaping of their economic identity. This feature is found to have numerous economic dimensions. The importance of intra-Balkan differences is emphasized and an important North-South differential is highlighted. Finally, the role of the foreigners and the attitudes toward them are explored as relevant markers of the SEE economic identity building.

The ongoing project of T. Chavdarova *The Sole Proprietor in Bulgaria, Macedonia and Turkey: Economic Culture* is devoted to a direct empirical, four-dimensional scaling of economic culture typology. Her framework focuses on four dichotomies: (1) individualism vs. collectivism; (2) activism vs. passivity; (3) equality vs. inequality; (4) rationality vs. "irrationality". The research is based on a detailed questionnaire applied to a large sample of small businesses in Bulgaria and Macedonia. The hypothesis tested is the legitimacy of a certain "Balkan economic culture", as reflected in common behavioral patterns in the two countries.

What remains to be done concerning this group of projects is the construction of bridges connecting the specific economic culture with the more general question of symbolic patterns of identity and mental mapping. We also consider these bridges to be a possible link between our research group and the others - the Economic Integration Group, the Social Inclusion Group and the Nation State Group of the Blue Bird Project.

Conclusion

The various individual case studies have chosen different levels of analysis and a broad scale of phenomena, varying from simple everyday activities to ideological constructions of great importance such as "region", "sacred territory" or "homeland". We were especially interested in border cases, in in-between spaces of problematic cultural identities, in fusions and splits in the traditional cultural geographies. Therefore, I wish to stress once again that the main contribution of the NEXUS Project, that which our group can offer to the others and to the general public, is the integral, complex picture of overlapping alternative cultural maps, which questions the old monolithic geopolitical images: it challenges both the stigma of Balkanism and the national or religious cultural territories that seem to be taken for granted.