



FRIEDRICH EBERT FOUNDATION
and
OVIDIU SINCAI INSTITUTE



Facing the Future. Towards Social Democratic Solutions for South East Europe

International Conference, Bucharest, 10-12 October 2004

Sunday, 10 October:

- Arrival of the participants
20.00 – Dinner

Monday, 11 October:

9.00 – 9.30 – Welcoming address: Dr. Adrian Năstase, Prime Minister of Romania,
President of the Social Democratic Party
Opening speech: Dr. Adrian Severin, Director, “Ovidiu Sincai” Institute
Presentation of the participants
Presentation of the program

PANEL I

9.30 – 10.30 – **Poverty and Social Polarization: Social Democratic Solutions**

- Dr. Chavdar Nikolov
- Dr. Cristoph Zoepel
- Dr. Dan-Mircea Popescu

10.30 – 11.00 – Coffee break

11.00 – 13.00 – **Discussions**
Conclusions

13.00 – 14.30 – Lunch break

PANEL II

14.30 – 15.30 – **Ethnic and Religious Differences. Social Democratic Solutions**

- Dr. Adrian Severin
- Dr. Axel Wallden

15.30 – 16.00 – Coffee break

16.00 – 18.00 – **Discussions**
Conclusions

18.00 – 18.30 – Coffee break

PANEL III

18.30 – 19.30 – **Institutionalising the regional quest for Social Democratic solutions**

- Dr. Victor Ponta

20.00 - Dinner

Tuesday, 12 October:

- Departure of the participants

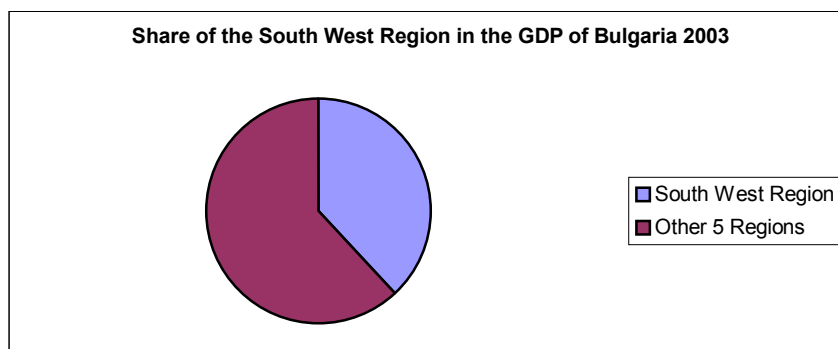
Panel I: Poverty and Social Polarization Some Territorial, Sectorial and Educational Dimensions of the Poverty in Bulgaria

*Chavdar Nikolov, Bulgaria**

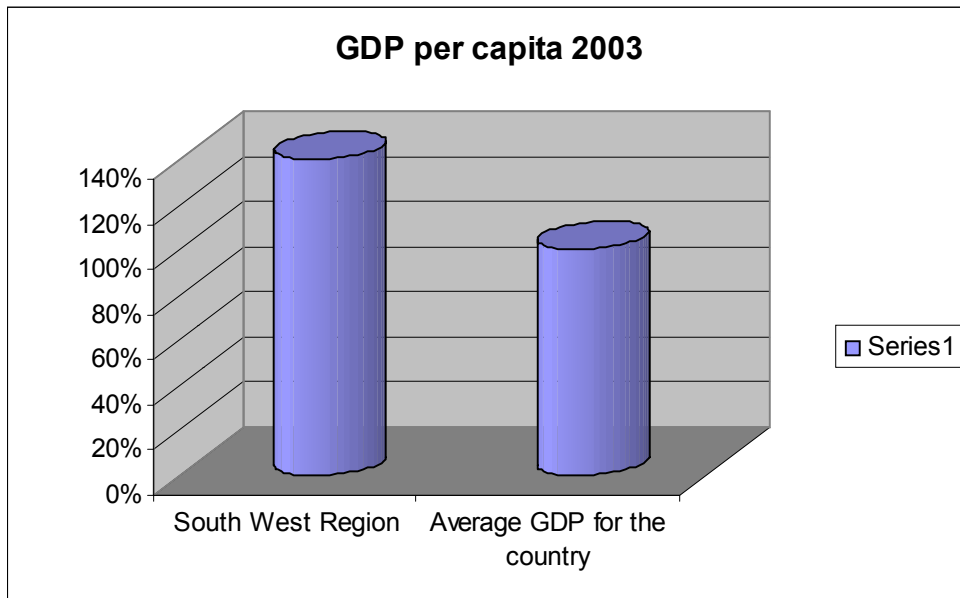
The poverty in South Eastern Europe has its many socio economic and historical roots. In my short speech I would like to focus on two main topics, where we could need specific social democratic solutions and may be the future Bulgarian government could put them into practice.

First, the regional and sectorial disproportions in the development in my country, occurring in the last years. And second, the ethnic educational structure of the Bulgarian population. My opinion is that all this, the disproportions and the educational structure are specific sources of poverty in the society.

The regional development in Bulgaria since 1997 shows a significant concentration of the economic activity in the South West region, this is the region around the capital - Sofia. Some figures - the share of this region in the whole GDP of the country was 31.1% 1997 and went 2003 to 38.1%. As a result of this the correlation between the GDP per capita between the richest region and the average for the country changed from 1.2 in 1997 to 1.4 in 2003. The poorest region 2003 was the North Central and the distance in the GDP per capita to the South West region was 1.66.



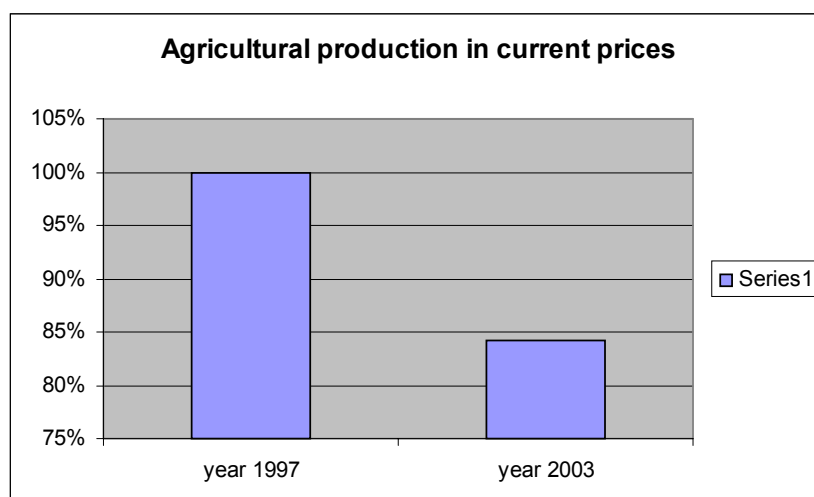
* Associate Professor at the Southwest University "Neofit Rilski" of Blagoevrad, Dean of the Faculty of Economics, member of the New Left Union.



Such uneven development, called "removal of the economy towards Sofia" is causing serious problems in other regions especially in the North West and North Central Bulgaria. The migration and the emigration is an everyday process. The social, economic and ecological costs of it are high. We have in the hand overcrowded capital and on the other hand lagging behind regions with few inhabitants with not significant economic activity and low incomes.

If there is a prescription, it consists of two elements - infrastructure and investment. Both a depending from the state activity, the infrastructure directly, the investment more indirectly but not less.

The agriculture is a sector with much tradition in the Bulgarian economy. Due to many factors, but on the first stage, due to the implemented in the mid 90-s restitutional revengist kind of reform, the agriculture is not, as it is normal, declining its presence in the GDP of the country from 26,2% in 1997 to 11,4% in 2003. In addition - the agricultural production fall in current prices with 15,8%.



What it has to do with poverty in Bulgaria, we could see looking on the employment figures. In 1997 in the agriculture were 25.3% of the employees and in 2002 – 25.6%. So the agriculture is coming into view as a true sphere of poverty in Bulgaria. This role is getting even worse taking into account that the agriculture is traditionally used as a absorber of income shocks, especially to improve pensions, to guarantee some kind of existence in the time of unemployment and so on.

The evidences that the uneven regional development and the stagnation in the agriculture are leading to poverty of the population could be find in the sociological studies. They show that 51.5% of the inhabitants of the villages are poor, 33.1% of the people in the small cities, 25.8% in the medium cities and only 16.7% in the capital – Sofia.

I am quite pessimistic about the perspectives for the improving of the described situation, The improvement could come a little bit faster if the state interferes in the land market and supports on this way the compaction of the rural land. The scale of the farms now doesn't allow the introducing of new modern technologies and is a pillar of the poverty and primitivism in our society.

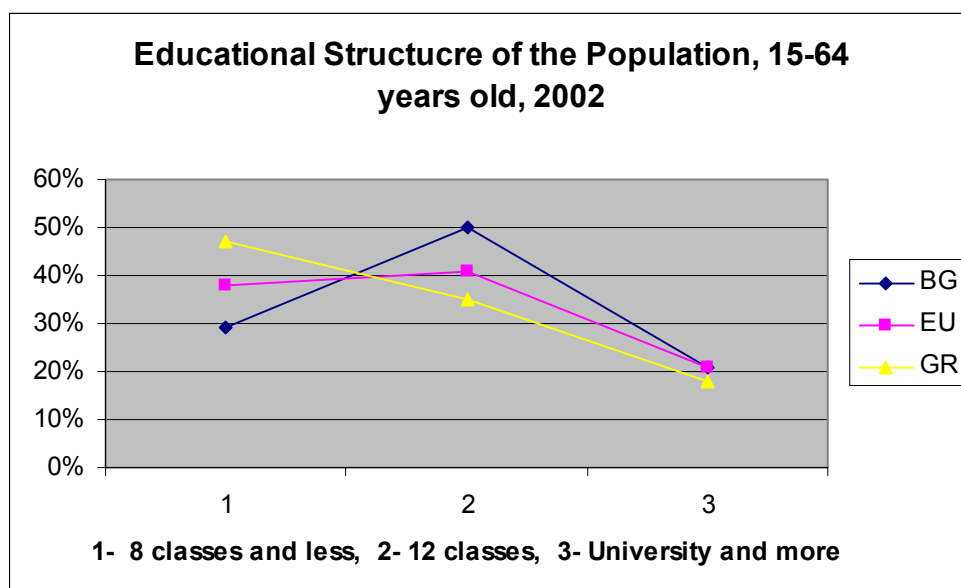
So we come to the third point of this text - the education. On the first glance we have in Bulgaria a society equal educated to these in the EU and even better educated then in some EU - countries. So the average educational structure of the population 25-64 years old in the European union looks as follows:

8 classes and lower -38%

12 classes 41%

University -21

The respective figures in Bulgaria are looking quite good - 29%, 50% and 21%. In Greece they are 47%, 35% and 18% and in Portugal 79%, 11% and 9%.



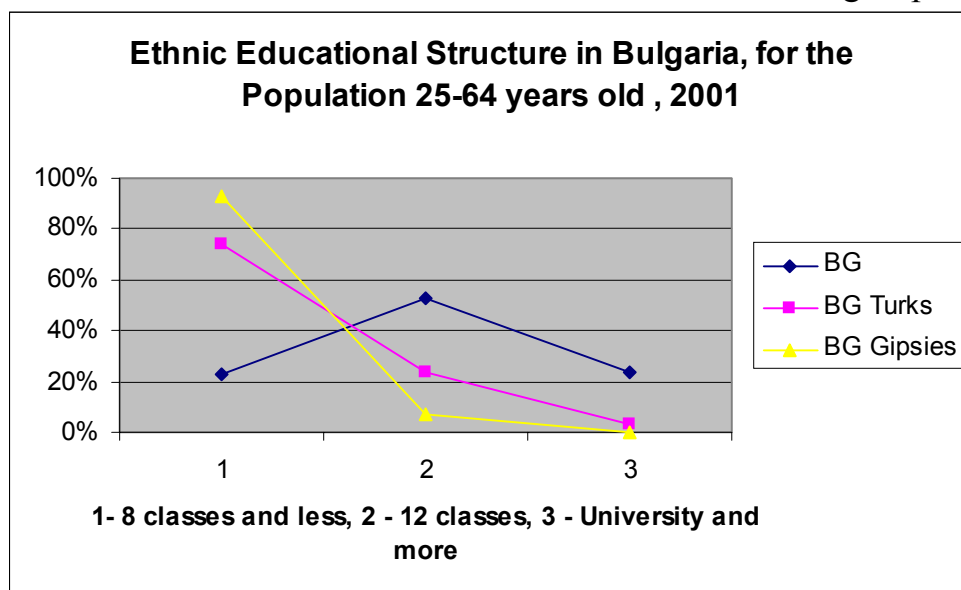
However the Bulgarian situation looks otherwise by monitoring of the educational structure of the main ethnic groups.

The Bulgarians have 23%, 53% and 24%. The illiteracy is 0.4%

The Bulgarian Turks have respectively 74%, 23% and 3%. The illiteracy here lies by 3%.

Most concerning is the ethnic group of the Bulgarian Roma called also Gypsies. The figures we have for this group are 93%, 7% and 0% (0,3%). The illiteracy is 13%.

Looking at the figures illustrating the poverty it is not difficult to see that there is a direct dependence between the educational level and the poverty. In Bulgaria 81.0% of the people with less than 8 years education are poor. The poverty concerns 51.7% of the people with 8 classes education, 23.4% - with 12 classes and only 14.2% with University education. 78.8% of the Gypsies belong to the poverty group, 58.3% of the Bulgarian Turks and 21% of the Bulgarians. The explanation of this situation lies in the educational level of each group.



What I here consider as a social democratic solution in the sphere of the education has to have important ethnical priorities. The idea of our contemporary minister of finance Mr. Milen Velchev for a national consensus in the education deserve special attention. On my opinion we have to fix the figure of 6% of GDP for budgetary expenses for education. The specific approach to the ethnical groups has to be adapted. It has to include such a means as a establishing of boarding schools and all day schools. Of course this could be understood as some kind of limitation of the rights of parents over their children. But is it better for the society if the parents hinder the education of their children "preventing" them from the school?

We could argue further on this topic but the future development is a social democratic matter and the social democrats do not believe as the liberals or the

conservatives that the better future comes automatically and doesn't need assistance.

Panel II: Ethnic and Religious Differences

*Axel Sotiris Walldén, Greece**

-I-

There is little need to emphasise the importance of ethnic and religious factors to a Balkan audience. Ethnic and religious diversity is at the core of the cultural richness of SE Europe, rooted in a long history for which we are on the whole proud. At the same time, however, nationalism -and to a lesser extent religion- has been the cause of immeasurable destruction in our neighbourhood, not least during the last fifteen years.

The worst part of ethnic conflicts in the Balkans is probably behind us. There is arguably no longer a potential for major wars such as those of the '90s. Advances in democracy and progress towards the EU throughout the region, as well as Greek-Turkish rapprochement have substantially improved the regional environment. So has the relative economic upswing, although the picture here is mixed, especially with respect to social cohesion.

Nonetheless, even today, a number of open, latent, or unstably settled national conflicts in SE Europe or at its periphery cast a shadow over the region's prospects. Civilised solutions stumble on deep-rooted mentalities and their manipulation by elites; redrawing borders or defending national sovereignty are more on the agenda than building multicultural and multiethnic societies and accepting the 'other'. Major deadlocks are building up in Serbia-Montenegro including Kosovo, but other situations are also potentially preoccupying: Bosnia, Macedonia, Cyprus, Moldova. What is more, not a single country in the Balkans can boast it has solved its problems related to ethnic and religious minorities, even though some have fared admittedly better than others. Today nationalism is still the major destructive force in our region, a powerful obstacle to efforts for consolidating peace and for building stability, democracy and prosperity.

In my short presentation, I will discuss possible elements of a European socialist/social-democratic agenda to address this regressive phenomenon.

-II-

I will not venture into a long discussion on the causes that made destructive nationalism survive in our region longer than in most other corners of the

* *Scientific collaborator, Université Libre de Bruxelles; member of the Panhellenic Socialist Movement (PASOK). Views expressed are exclusively those of the speaker and do not engage PASOK.*

continent. No doubt, the vacuum created by the demise of the communist regimes and their totalitarian ideology, in a context of acute political, economic and social crises, favoured the nationalist resurgence. The type of 'Wild West' capitalism that emerged from transition provided a fertile ground. Old and new political elites instrumentalised popular national aspirations in striving to retain or to gain power and privileges. It is also ironic that ethnic conflict developed most in the one country which, under communism, was the less totalitarian and had paid the greatest attention to the national factor. Federalism and 'self-management' without democracy turned out to be a tragic failure.

On the other hand, regressive nationalism is not an exclusive characteristic of post-communist societies. Suffice to mention Northern Ireland, Cyprus or the Basque country, but also the powerful currents of racism and xenophobia throughout our continent. Even less are these phenomena inherent to a Balkan or 'Eastern' nature. We should never forget that the biggest crimes in the name of nations during the past century were not committed in our part of Europe. There is certainly a link between democratic culture and tradition and the strength of a society's defences to all types of extremism. Nonetheless nationalism and ethnic and religious intolerance are definitely European problems which influence Europe's present and future shape and prospects. They are of course also expressions of defensive reflexes to the blind forces of globalisation.

-III-

What could be an agenda for defeating nationalism in SE Europe? And is there a socialist approach or 'solution' to this problem? Let me start from the second question:

Historically, nationalism, including its most abhorrent forms, is undoubtedly the child of the bourgeoisie. However, the relationship between the nation and the socialist movement has been a difficult one and was at the heart of its scission in the early 20th century. In the past, socialists had adopted as widely differing stands as backing their governments in aggressive and colonial wars; serving other countries in the name of internationalism; heading or allying with national liberation movements; and ignoring or combating them in the name of class struggle. Socialists have resolutely opposed right-wing nationalisms, but many have long resisted or hesitated with respect to supra-national European integration.

In the Balkans this historical ambiguity is even more pronounced, since socialist tradition here is predominantly communist: authentic patriotism from the national liberation struggles against the Nazis co-existed with perverse forms of nationalism as symbolised by Ceausescu or Hoxha. Balkan communist regimes both recognised and oppressed minorities or used them for irredentist purposes. Servility to the Russians sometimes co-existed with chauvinism towards neighbours and minorities.

Following 1989, the resurgence of nationalism in the post-communist Balkans does not have a definite political colour. Both post-communists and anti-

communists can be found at the forefront of extremist movements and crimes, and the picture differs from case to case. Conversely, forces of democracy, national co-habitation and tolerance are active throughout the political spectrum.

In other words, in the Balkans and elsewhere the dividing line in issues of nationalism does not seem to follow the right-left divide but traverses horizontally both conservative and socialist forces. Hence, the struggle against nationalism cannot be monopolised by any particular political family. Rather, the forces of ethnic tolerance have to wage their battles in each of these families. Their ambition could be to develop a dynamic of competition in the political system over commonly shared values, including by erecting a *cordon sanitaire* around openly anti-democratic movements, and thus breaking with the logic of populist overbidding. In this competition, it can be argued that socialist values, traditions and programmes have certain comparative advantages.

-IV-

Let me now turn to the agenda for addressing the present-day national question. In my view, it could include the following elements:

1. A framework of democracy, market economy, and sustainable development is the irreplaceable prerequisite for managing national issues and containing ethnic conflict. In this context moving from 'Wild West' capitalism towards the European social model is particularly important.
2. The importance and depth of the national and religious components of collective identity has to be acknowledged and taken into account. Whoever ignores or underestimates this, either from the perspective of old-fashioned class approaches or from that of globalisation, is paving for trouble. At the same time collective identity is not immovable, both in its reconstruction of the past and in its imagining the future. Its development is affected by policies and ideas.
3. In addressing ethnic issues, European integration must be placed at the centre of our strategy. Europe provides a secure community of values, codes of conduct, and a favourable environment for development and cohesion. It provides an appropriate level of economic, political and social integration which can make us benefit from globalisation, while protecting our national and cultural diversities and our societal model from its blind forces. The EU can thus take over some functions of increasingly inadequate and retrograde nation-states. A strong, democratic and federal EU is the only guarantee that the unavoidable weakening of nation-states will not result in disintegration, weakening of democratic structures, and abandonment of solidarity.
4. Combating regressive nationalism is a challenge the answer to which cannot be reduced to developing democracy and prosperity and integrating into Europe. It requires specific efforts in all areas, including those of institutional reform, and above all education and culture.
5. In SE Europe, the overriding objective is to shift the focus from the issue of borders, be it for their revision or for their defence, to developing tolerance

and multiculturalism, respect for human and minority rights, solidarity, and a multi-layer model of governance with strong sub-national, national and supra-national levels.

6. In the present Balkan context, the most dangerous trend is the one leading to further fragmentation and disintegration. Nasty ideologies of distrust in ethnic co-existence and in democracy are presented as aspirations to self-determination and as a rule serve to cover obscure economic interests. The nightmare scenario is that of proliferating mafious mini-states, incapable and unwilling to produce stability, democracy or welfare, agents of continued ethnic unrest, and pawns in classic international power politics. At a time when Europe unites to meet the challenge of globalisation, this is hardly a model for our region.
7. At the same time, however, old-fashioned defensive attitudes to national aspirations, still frequent in our region, are certainly not the adequate response. Most Balkan peoples have a long way to go in addressing these issues openly. Not seeing minorities as a threat is still uncommon in our region and this feeds a vicious circle, the responsibility for which rarely lies only on one side.
8. Minority issues are sometimes closely linked with criminal activities, hence the importance of combating organised crime and corruption. Nevertheless, reducing them to 'criminal conflicts' rarely reflects reality and can easily lead to underestimating the ethnic factor. Likewise, geopolitics is as a rule present in minority problems, but approaches which reduce the matter to third country intervention are rarely adequate. Minority problems and inter-state antagonisms are a two-way relationship, and nurture each other.
9. There is no institutional blueprint which ensures the right balance between integration and recognition of ethnic difference: various forms of decentralisation and federalism can be appropriate depending on the situation. Theoretically, even revisions of borders should not be taboo, but experience shows that these should in general be avoided as they generate dynamics opposite to those desired, especially in today's Balkans.
10. Ethnic minority issues should be treated predominantly as democracy and human rights issues within each state, not as foreign policy issues. As such, they can legitimately be the object of interest also of third countries and international organisations. In particular, present European practice attributes a special role to so-called 'kin states'; this role should be clearly delimited from irredentism.

Can the above ideas form part of a social-democratic programme? I would argue that most certainly yes. Democracy, tolerance of differences, and Europe are today core elements of our values and programmes. Indeed, socialists should be well positioned to play a leading role in the implementation of such an agenda:

- We can convincingly argue that our fundamental values do not start and end with the nation and ethnicity, but include a human, a gender, and a social

dimension; a European and a universal one; but at the same time we are well placed to understand and respect ethnic and cultural sensitivities and diversity, since the society we advocate is pluralistic, tolerant and protective of the weak.

- We are the best placed to emphasise that forces of integration are not only those blindly imposed by markets or forced upon us by hegemony, but can also result from a political will for sound governance, social cohesion and solidarity. Hence we can present a convincing alternative to defensive nationalist reflexes.
- In our work, we can draw from the best part of our history both in defending national interest and in combating extremist nationalism (for instance in the Resistance movement), as well as in positive internationalism. This presupposes of course an unambiguous break with other parts of this history, especially for those of us having roots in communism.

-V-

Let me end with two remarks, one as a Greek and another one as a European citizen.

I believe that the Greek experience is particularly relevant to our topic. Greek nationalism is deeply rooted in history and culture. In a context of domestic decline and regional instability, it took perverse and highly irrational forms in the first half of the '90s. We all remember the paranoia of Greece's Macedonian policies, or the rigidity of its perceptions and approaches with respect to Turkey. At the time, conservatives and socialists alike plunged into the nationalist quagmire.

However, our democratic structures and our European anchor prevented us from following the Yugoslav path. Since 1995, Greece, led by a socialist government, followed a new course of economic and social upswing and overall modernisation. We further integrated into Europe. This process went hand in hand with a gradual but spectacular positive change in foreign policy. A historical rapprochement with Turkey is well on track; our relations with our Balkan neighbours have radically improved; both these policies have been firmly rooted in the European perspective. All this brought about important changes in mentalities. Greeks became more self-confident, less defensive.

This is not to say all is well today: We have not succeeded in preventing Greek-Cypriot nationalism from blocking a settlement in the island; we have still not fully overcome our irrational approach to Macedonia; our Archbishop's nationalist populism still has an alarmingly large audience; much has yet to be done in recognising and respecting minorities and immigrants; our educational system reproduces 19th century national myths and stereotypes. So there is every reason to persevere in keeping the struggle against nationalism on the modernist agenda and to be vigilant for the resurgence of old demons. All the more so, as the new conservative government is less dedicated to modernisation and more influenced by past mentalities. Yet, I believe we are not likely to return to the

past. And Greek socialists are likely to continue on the path that made them the architects of our recent spectacular modernisation.

There are two lessons to draw from the Greek example: first, that democracy, Europe, and increasing prosperity are the best environment for defeating nationalism; socialists successfully fought nationalism by taking the lead in the modernisation of the country; but, second, that there is no automatism between modernisation and addressing nationalism. As I already pointed out, the latter has its own life in policies and minds, and must also be tackled as a distinct phenomenon.

-VI-

My last remark concerns Europe:

The European Union is right in asking countries and peoples in South-eastern Europe to comply with European standards, especially on ethnic and religious issues. Democracy enjoyed by EU citizens, tolerance of ethnic, cultural and religious diversity are undoubtedly a model to be followed. German-French reconciliation, on which the Union is built, is a powerful symbol of how nationalisms can be overcome.

Yet, as I already mentioned, nationalism and regressive approaches to ethnic and religious matters are not exclusively Balkan issues; they are also serious European and international problems. Hence, at least in this area, the EU cannot limit its task in exporting reform. It must assist reform in the Balkans and elsewhere, while reforming itself.

In the first place, the EU has evidently failed to address a number of ethnic conflicts within its own borders, and indeed still lacks the competence and power to solve them. This becomes increasingly a problem as its stance towards candidates and neighbours becomes more normative, which it should. It is awkward to ask Macedonia to apply the Ohrid agreement, when minorities in Member States, especially some new ones, enjoy much fewer rights. It is difficult to propose solutions for Moldova while a Member State rejects solutions for itself proposed by the international community. Clearly, the EU must urgently acquire the capacity and will to implement itself what it asks others to do.

Secondly, the EU and its Member States have not succeeded in containing racism and xenophobia which are gaining ground. Sure, the international environment is unfavourable and the disastrous policies of the Bush Administration do not make things easier. Yet ethnic and religious intolerance also have domestic roots in Europe, related to the social situation, educational systems, and hostage situations of mainstream politics vis-à-vis populism. It is typical that concerns over future Turkish membership focus much less on its possible impact on an ambitious European project than on non-acceptance of cultural and religious differences. It is sad to note that it is sometimes easier to plead for a Europe that is 'clean' of Turks and Muslims, than for one that is federal and autonomous. In other words, the lack of impetus in developing the European model and the

European project heavily affects the Union's capacity to tackle issues related to ethnic, religious and cultural diversity.

Finally, the present trend in the EU is for Member States to be increasingly entrenched in national positions and egoisms. Inter-governmentalism is on the rise and reflects the resistance of outdated national policies, bureaucracies and mentalities. This trend hampers Europe's ambitions and its capacity to produce a democratic option for integration; it also limits its capacity to act in the Balkans and in particular to conceive imaginative solutions to ethnic-related problems in the area, solutions that would attribute a lesser role to nation states -and hence to borders- and would emphasise both the supranational and sub-national levels of governance.

So, we can conclude that addressing nationalism in the Balkans is part of a broader issue of injecting more impetus to the European project, of further promoting our social model and indeed of realising a real revolution in our approach to nation-states. Socialists throughout our continent have every reason to be at the forefront of this struggle, much more than they have been until now. While it is understandable that a large movement is prudent in managing its diversity, it would be disastrous to reproduce in our political family, the mechanism that is at present threatening to paralyse the European project: namely, moving at the speed of the slowest wagon.