

# WESTERN BALKAN: IS THERE ANYTHING NEW ABOUT GLOBALIZATION?

## ZAPADNI BALKAN: IMA LI ŠTO NOVO U GLOBALIZACIJI?

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**Abstract:** *Economic and other researchers are more or less agreed upon the following: new global system is not yet constructed; still, globalization (as it is) produces unpredictable and sometimes contradictory impacts on every important actor in a world scene (including European Union). Keeping these facts in mind, the purpose of this paper is twofold: a) to point to intentionally (and made by EU) carrying on mini globalization at European area; b) to show that Western Balkan can't help being affected by such tendency. Of course, we are aware of the fact that, due to limited space, these issues can only be roughly sketched in the paper.*

**Key words:** *globalization, integration, European Union (EU), Western Balkan*

**Sažetak:** *Ekonomski i drugi znanstveni radnici manje ili više slažu se oko slijedećeg: novi globalni sustav još uvijek nije stvoren; iako globalizacija (kakva je) stvara nepredvidive i katkada kontradiktorne učinke na sve važne čimbenike svjetske scene (uključujući i Europsku uniju). Imajući to na umu svrha ovog rada je dvostruka: a) ukazati na namjeru Europske unije da provede mini-globalizaciju na području Europe, b) pokazati da zapadni Balkan ne može ne biti pod utjecajem te tendencije. Naravno svjesni smo činjenice da ćemo se u ovom radu samo djelomično dotaknuti tog pitanja.*

**Ključne riječi:** *globalizacija, integracija, Europska unija, zapadni Balkan*



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## **1. Globalization as it is**

The current wave of globalization is characterized by unprecedented internationalization of economic activity (Dorfman, 2005), which is very often used to substantiate fully and truly global world economy. The real state of affairs is in a certain extent different: only few advanced countries constitute the greatest part of international economy (Glyn, 2004). According to our opinion, characteristics (most of researchers agreed upon) can be summarized in the following manner: a) World economy is not (at least not yet) globalized the way it was supposed to be. Globalization seems to be extremely lengthy, rather stoppable and non-sequential (Barry & Slater, 2005), dynamic and open-ended process (Kolodko, 2003), which authentic “essence” has never changed, although its content may vary (the more it proceeds), and conditions or forms may be (and really are) different ones. b) Economic globalization has passed through several (partially repeated) phases causing deep (widespread) effects and some contradictory (convergent as well as divergent) tendencies (WIR, 2006; Glyn, 2004). c) Noticed divergent trends are in some regions (like Western Balkan) even stronger due to unfavorable economic and political circumstances (slow reforms, disintegrated area, uncertain moment of association with EU – Bevan & Estrin, 2004; Bitzenis, 2004; WIR, 2004; WIR, 2005). d) Evolution of relationships was rather of regional than of global kind. Interdependence of close neighbors within integrated EU space has intensified (UNECE, 2000; Hooghe, 2003) but this revival of regionalism produced isolation for those outside that “block” (Hirst & Thompson, 1998).

## **2. European mode of globalization**

Under the pressure of globalization, EU has become “a battleground for its opponents and proponents” (Hooghe, 2003). The latter, promoting global interdependence as the goal Europe should strive to, dominated over opponents but, they disagreed about the ways of carrying out the strategy labeled “EU as globalization actor”. Some of them claimed that European globalization path is supposed to be in accordance with and dependent on widely accepted US model (Gowan, 2001).

Others (Majocchi, 2004; Vobruba, 2004) insisted on the idea that gradual integration of Europe offers an alternative to process imposed by USA, by meeting the challenges of globalization instead of being run by them. At the beginning, creating of integrated European economic space was predominantly of “resistance” type and motivated by efforts to restore global competitiveness of Europe vis-à-vis the USA. Choosing of regional strategy (single market project) was based on high intra-European interdependency. Neo-liberal restructuring of the EU (Hooghe, 2003) has brought significant cumulative benefit (measured by percentage of aggregate GDP) in the area and, at the moment, EU seemed to become a withstanding actor in the world scene (Kuhnhardt, 2002).

However, due to European current internal diversity (Niroomand & Nissan, 2007) and similar arising problems connected to further integration processes, no wonder that economists (being aware of the fact that EU countries will never constitute a

homogenous entity like US) perceive retaining this position as the mission hardly to be carried out. We suppose that above-mentioned obstacles have initiated changes in "European course". Having finally grasped that chances for imposing another type of globalization to others in the global scene were minimal, EU decided to apply "at home" a little bit modified version of well known mode of globalization.

### **3. Mini globalization in Europe**

Both deepening and enlargement were promoted by those trying to establish new tendencies of globalization but, they were shaped in quite different ways. The deepening was led by so-called "embedded neo-liberalism", whereas enlargement was followed by its "market-radical" version (Bohle, 2006). From the standpoint of Eastern Europe countries, EU represents the incarnation of economic prosperity. That is why they were particularly receptive to the ideology of economic liberalism: it was considered to be at the same time the aim (join "the elite club" – Lister, 2002) and the means of achieving "return to Europe" (Bohle, 2006).

In spite of the fact these countries adopted neo-liberal reform model, perspective of membership was conditioned by new, additional, so-called self-evident reform requirements, which brought another structural asymmetry (i.e. the existence of dominant actors, as well as peripheral ones). "One might argue that EU would not really qualify to join itself if it had to apply for membership based on its own treaties and their provisions" (Kuhnhardt, 2002). The asymmetry is additionally "fed up" owing to enormous differences in economic performances between "old" and "new" EU members (Barnes & Randerson, 2006; Hubregtse, 2005).

This obvious fact serves as an argument that the mere, starting influence of the EU is not sufficient condition (although it is necessary) for preventing "excluding" character of globalization (Heisenberg, 2004). EU has become a regional club with two sets of members: first-class and second-class ones (Hooghe, 2003; Barnes & Randerson, 2006). So, integration probably led to less exposure to globalization pressures for every member but, at the same time, it means more exposure within EU (Vobruba, 2004), representing "dynamic component of globalization" (Rosamond, 2002). Awareness of the fact that countries left outside the EU were performing even worse, which surely would jeopardize EU position as a global actor, "tightened" enlargement fatigue (made questionable credibility of further enlargement steps) and explained inclusion of additional conditions and severe monitoring meant for them (Barnes & Randerson, 2006).

EU announced regional cooperation and forced this strategy to Western Balkan region (Anastasakis & Bojicic-Dzelilovic, 2002) as the „medicine“ for catalysing faster growth. For these countries, regional integration represents the test (something like pre-entry exam) they should pass, but also the compensation for their being left out of EU. Actually, "lack of viable alternatives to EU membership" (Barnes & Randerson, 2006) put potential candidates into completely inferior position – they are expected and (more or less) willing to accept any additional condition imposed by EU in exchange for "the carrot of accession".

#### 4. Concluding remarks

At the moment, globalization (asymmetric and not always predictable, as it is) and European (globalizing) integration go on as parallel, dynamic processes “in their own right” (Kuhnhardt, 2002). Keeping that in mind, no wonder European integration can be treated at the same time as dependent variable (under the influence of globalization) and independent variable (example of globalization, characterized by specific features) (Hooghe, 2003).

From one side, regional cooperation and integration within EU seemed to enable its becoming global economic and political actor ready to cope with the pressures of other big globalization actors. However, its trying to retain such position became much difficult due to complicated internal affairs. Still, EU has at its disposal some additional room for maneuver. Precisely, integration through enlargement enabled EU to impose on inferior members and would-be-members modified globalization mode. We emphasized that potential candidates (at the “periphery”) this way happened to be “collateral damage” of changed tactic, as well as a mere bystanders of globalization itself.

The most they can do is to make efforts to join EU in order to experience a little bit of positive globalization achievements. Further research is supposed to answer whether the implementation of mini-globalization was proper tactic from the standpoint of long-term interests of EU.

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