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By: INES SABALIC

**CROATIA: HOW *THE ECONOMIST* MANAGED TO UPSET YUGO-PHOBICS**

## BIRTH OF YUGOSPHERE FROM THE ASHES OF YUGOSLAVIA

**BALKANS WITHOUT BORDERS** At the moment when clear messages are delivered to a blocked Croatia that Europe does not want it and that it would perhaps enter the EU in 2014 in the same package as Serbia, Montenegro and Macedonia, prominent *Economist* publishes a text which with its message arouse peculiarly big interest on the West

I am the love that dare not speak its name – reads the oversensitive verse of British poet Alfred Douglas which is cited when one wishes to subtly and in scholarly fashion warn about homosexuality, forbidden love, affection that exists despite all judgments.

This poetic reference crossed Tim Judah's mind who is usually behind all journalistic but, traditionally for this weekly papers, unsigned texts about the region in *The Economist* which, also traditionally, is probably the most influential weekly worldwide. The text, in which it is claimed that among the countries established from former Yugoslavia there is if not institutional and surely unadvertised then sound, normal, everyday, practical cooperation based also on relations from the past and interests that those countries have for their future, arouse tremendous interest in the region and genuine amazement among those who either in Brussels or in other capitals deal with Western Balkans. "Every day the bonds between them, snapped in the 1990s, are being quietly restored. Yugoslavia is long gone; in its place a Yugosphere is emerging."

**Cipiripi Invasion** According to the author, for residents of Yugosphere, cooperation and exchange is to that extent understandable that they even do not notice it, and they can accept it precisely at the level at which, for the time being, it is now. It is based on trade, business, common experience and language everyone in the Yugosphere speaks and understands. Serbs wish now to conquest Croatia through Cipiripi chocolate spread while their biggest problem are not refugees or lost dreams of territory but rather the fact that Croatian companies get ahead in Serbia easier than Serbian do in Croatia.

“All that Tim Judah wrote is true. He noticed it wonderfully, listened attentively. It was a logical thing that such cooperation will begin and personally I have always been an optimist in regard to this. For the time being, this cooperation is primarily economic and I believe it will stay that way for some time while its pillars will be Croatia and Serbia. Afterwards, when the right time comes, perhaps some smarter pact could be established,” commented Krsto Cviic, former Editor-in-Chief of *The Economist* and expert on East Europe and the Balkans.

“However, the worst thing that could happen now is that someone tries to institutionalise this structure of cooperation, the *Economist* named Yugosphere. It would be catastrophic as immediately there would be resistance. People would distance themselves; not everyone is ready yet. Also, it could incite harmful hopes by some political parties in Serbia. In Bosnia too such institutionalisation could be received with much resistance. I believe that everything should be left to spontaneity, and even if you wish, to disorganisation. For the time being, disorganisation, as we can see, leads on quite well, and cooperation being born is logical,” believes Krsto Cviic.

**Cooperation Potential** Again, everyone agrees that cooperation potential is far greater than the one existing presently in Yugosphere. Montenegrin Ambassador, Slavica Milacic, an incredibly hardworking woman that perhaps works for all her somewhat more laid-back fellow countrymen, believes that the Baltic countries should be a role model of cooperation for countries in the region. These countries, which Finland and Sweden lead gently in their transition and on their road to the EU, finished all their tasks successfully and were a role model of good mutual relations.

“If cooperation among us is so good then it would be even more visible. It is certainly good, better than is seen from Brussels and from many other capitals across the European Union, but it could be far better. Surely, we should not run away from cooperation and from making it visible that we cooperate. The fact that our progress is relatively poorly visible inhibits us the most in our integrations. The image of a black hole, nest of corruption still prevails of this region and though it is true that there are problems and that we have to deal with them, the image is worst than is the reality. Positive examples are not seen. For example, Montenegro and Croatia without any problems, in peace, friendly, as neighbours should do, agreed that the issue of border on Prevlaka should be resolved by the World Court in Hague. Soon we will sign the agreement on border with Bosnia. But this is very rarely mentioned publicly,” says Slavica Milacic.

**Painstaking Process** *Economist's* text speaks very positively on the work done by the Regional Cooperation Council. It is the institution established on the remains of the Stability Pact for South East Europe which disappeared when the interest for exotic Balkans had faded away and development of new countries proved to be a difficult undertaking. Yet, the essence of the Council is in the countries established from the former Yugoslavia. It, describes Tim Judah, perform the dull, everyday, necessary work.

“I agree with Krsto Cviic that nothing should be institutionalized and that things happening artificially would soon become counterproductive. Newspapers in the region prefer even not to write much about our existence because they may be afraid that we are reviving “brotherhood and unity” while our job is to have the region where we live become a normal, European area. This is not just an event, this is tremendously painstaking process. We are consisted of 12 members among which one can hardly find the two that have no mutual issues or those two which have the same view regarding an issue. Take Serbia and Kosovo, for example. Nevertheless, we sit around the same table and negotiate,” says Secretary General of the Regional Cooperation Council, Hido Biscevic, for *Globus*.

“In ideal interpretation, the time has come to demonstrate maturity and responsibility and to cooperate in the interest of peace and stability. In reality, we are not ideal but we do cooperate. One country cannot progress while others leg behind; there is no stability in this way. It is curious that there are as many bilateral problems as you can conceive and regional cooperation flourishes. Regional cooperation is better than a pileup of bilateral cooperation,” says Biscevic.

**Catastrophe Facility** Though little is known about this institution, it is very important forum where countries from the region meet and agree on the most concrete possible cooperation. Through this organisation, established by the very member countries, the existence of Yugosphere as area of cooperation is enabled. Biscevic says that presently there are 27 joint projects out of which the most noted is the future Regional Fire-Fighting Centre to be coordinated from Divulja and made active next year. Then there is the Catastrophe Risk Insurance Facility, meaning that a member will no longer have to dig into its own budget for damage clearance, and there is also cooperation forum of academies of science, as well as of health institutions... Everything that was fragmented is presently in a reverse process and asks for some sort of joining or cooperation, seeks its natural habitat. For example, it is only now that after twenty years meteorological institutes in the region will cooperate again. Also, airline companies will for the first time sit at the same table this year.

It is interesting that this type of cooperation, through concrete regional projects, is extremely similar to the type of cooperation upon which the European Union was established fifty years ago.

“‘Sphere’ is an excellent word, and gradual creation of normal living area is in question here.”

Outside Yugosphere, its very existence is a great surprise, Tim Judah states accurately in his text.

We can confirm this. Here in Brussels, experts and diplomats have not returned from their vacation yet, but when they do, they will have to, at least partially, change the generally accepted political line on catastrophic situation of the society in the region, what is repeated from conference to conference, from document to document.

A former Croatian officer working in a big European agency in Brussels says his colleagues were astounded by the text in *The Economist*, as they never moved an inch from the analysis on raging hereditary blood animosities and tribal conflicts that prevailed in 1990's, established itself and, if that is possible, worsened.

For example, at one of the last sessions of the previous convocation of European parliament, in June, Swedish representative originating from Bosnia submitted a report on the situation in Western Balkans. Drawn before the eyes of European parliamentarians was wild, post war scenery of destroyed, radicalised, corrupt, gangsterized societies which, on the other hand, have to be accepted to the EU so they do not kill each other and generate rivers of refugees. But this report will remain as reference to those who believe that integration of countries from the region should be endlessly prolonged. This is certainly not the only case; from conference to conference, document to document, the same story is repeated on and on again. Tim Judah, decently like an Englishman, says that perhaps his colleagues, other "foreign experts" travel insufficiently across the region, and thus they "fail to see".

However, the real reason is that the interest for the region disappeared after 11 September 2001, i.e. attack on the World Trade Centre. Whoever was dealing with the Balkans, turned to other topics. They no longer have an idea what is going on though, when invited, they give their opinion as experts on the Balkans. Tim Judah, together with couple of more people, is one of very few who really knows and understands the region.

**Actual Changes** Chuck Sudetic, American journalist who also reported from the region as of early 1990's, and presently is an expert with the Hague Tribunal, believes that cooperation, as described by *The Economist*, is happening in reasonable period. "At first sight, twenty years has passed since the war but actual changes in fact started only as of 2000 or somewhat afterwards, with Milosevic and Tudjman's leaving the scene. If comparing the end of World War II and the end of Yugoslav wars, the difference is quite big: in 1945 we had a clear cut, a fresh start with the assistance of U.S. and Marshall's plan. But not at Western Balkans as backward, nationalist regimes stayed behind. The second reason for region's lagging behind is that these regimes mixed with the remains of corrupted system from the last years of Yugoslavia because corruption was very much present just not written about. In that sense, these eight-nine years is not a long period. However, it seems to me that some parts of the society in the region are ready to cooperate in Yugosphere more than the others. I cannot see how Mothers of Srebrenica will understand the logics of profits and rush to cooperate; but I can imagine that their children will one day soon in, let us say, Sarajevo work for a company which will cooperate with a Belgrade firm and thus earn their salary," said Chuck Sudetic for *Globus*.

"Of course it is no new or old Yugoslavia," warns Judah "and, of course, that children who were not even born in former Yugoslavia, but listen to music from neighbouring countries, cannot be Yugonostalgic, and it is normal that links do exist. Then again, I would attach little importance to this. It is not something solid, it is not an organisation."

That is correct. In comments to Judah's text on the website it turned out that Yugosphere suggest fluidity, transparency, mobility, and cohesion as well.

“If you take a look, you will see evidence of this everywhere, primarily when it comes to brands, which are known throughout the region from *Vegeta* to *Cedevita*, then business, Delta, Konzum, Mercator. Or, the vehicle mark *Yugo* is no more, but *Punto* is now manufactured in Kragujevac and this will probably renew industrial links as well,” says Tim Judah.

**Old Ties** Gordana Zrnica, Director of Serbia's Trade Chamber in Brussels, agrees that the process is spontaneous but emphasizes that the EU made several excellent moves to stimulate it. She absolutely praises CEFTA, Free Trade Agreement. “When the former country broke apart, analysis of foreign trade balance showed that the largest external trade – though it was one country at the time – was among the republics. High level of interdependence of industries also existed. Presently, we have to be more careful in our conclusions as some industries disappeared, privatisation process had big influence in some places, but one thing remains unchanged: everyone's wish to decrease fixed costs. Finally, it is generally known that there are centres for certain industries and cooperation began by renewing old ties and, after the first phase of merciless competition, by beginning to seek solution as to develop as competitive product as possible. CEFTA, which we had to be forced into at the beginning, did us an incredible favour, in particular in the mechanism which is diagonal cumulation. This means that a product manufactured in one of the countries in the region containing any piece produced by another country from the region can be considered local product. This is how preferential treatment is obtained with relation to the EU as well. This is very good for boosting the region as it makes you do business and trade within it, to utilise resources at your disposal,” says the economist.

Foreign businesses too when entering the region wish not to be limited to small areas but seek a market without barriers. Mainly everyone understands this now, though CEFTA was met with hostility at the beginning, as if free trade was ever blamed for anything. In the last year in Brussels since the rhetoric towards Western Balkans become harsher and since member states blocked integrations, greater cooperation in the region was developed though it is a paradox at first glance. Tim Judah noted that, in conversation with Boris Tadic on economic cooperation, Stipe Mesic said “our countries” and was amazed that everyone accepted this with self-understanding, “both the friend and the foe”.

Little it was noted that Ivo Sanader, when understanding the intensity of Slovenian blockade, turned to region. According to extremely reliable source that was there with former prime minister on the day he resigned, his cell phone rang constantly receiving phone calls from abroad. Obviously under negative impression of not receiving the support he believed was agreed, Sanader was very nervous with everyone, except with Boris Tadic and Milo Djukanovic with whom he spoke in a friendly manner. During the Slovenian EU Presidency last year, at the closed meeting of a Brussels', like pro-Balkan forum, Dimitrij Rupel held an almost racist speech about the Southern neighbours not used to civilized customs. During that time, in a very

difficult political situation regarding Kosovo's recognition, regional leaders were very careful to resolve the situation with least possible political damage. Not one statement that would stir up tensions was recorded, quite contrary. During this entire period, even if they stepped on each other toes, they were careful it did not hurt much.

**The Year of Blockade** In the year of Slovenian blockade, Croatia participated in the region's life more intensively than before. This year is *annus horribilis* for the Western Balkans, marked with disappointment and anger of regional leaders towards the EU and with a feeling that they could finalise not one endeavour. Weaker parts of the region, such is Bosnia and Herzegovina, even deteriorated. However, all interlocutors from the region stress the need to proceed with caution. Asked about reconciliation of people and countries in this region what is one of the proclaimed principles of the Hague Tribunal, American journalist Chuck Sudetic says that this will be left for some later period.

Chris Cviic believes that progress should be made exclusively on pragmatic and practical and not on irritating and declarative.

But, cooperation has begun, and life of the region became more intensive. Through its film festival and through its extremely talented writers, Sarajevo, for example, has become some kind of its cultural centre. If Sarajevo is good enough for Bono, it is good enough for fancy people from the region too.

In reality and below the level of visibility, Regional Cooperation Council, as Hido Biscevic says, "maintained the fire of European integration alive. At one moment, we remained the only bridge to Brussels and, what is equally important, we have the link with international financial institutions."

**Murder Investigation** Significant cooperation was seen in the life of the region last year what was especially noticeable in the investigation of the murder of Ivo Pukanic and Niko Franjic. This cooperation was so successful that it came as a surprise to everyone though in the end the suspects were not extradited since, of course, we are still not on the level of Switzerland and Norway.

When several vehicles with Belgrade registration plates were pushed to sea at the Coast, the offenders were immediately arrested while this act caused much wider abhorrence than several years ago. Intensified cooperation, primarily in terms of trade, also contributed to alleviating the relations among societies.

"To some it was normal, but to me, to see billboards in Serbia inviting tourists to Croatia was unusual. There, that is one of the elements of Yugosphere," says Judah. Surely, these billboards were placed just before the summer season.

“Crisis was in fact good for the region,” says Hido Biscevic. “Firstly, it showed countries that still lived in the illusion of their big importance that they are not so important after all in the overall order and that the world has different agenda and that our region is not a problem everyone will deal with. This gave birth to self-responsibility that did not exist before. The crisis started directing countries to reciprocity. I guess it is clear that even the biggest countries in the world cannot solve problems alone, so how can our small countries do that without cooperation? Crisis helped us get rid of stereotypes from our past. It is impossible to wish to do business and at the same time advocate for politics of alienation,” said Biscevic.

## **NEW COOPERATION**

The thesis underlying the texts which Tim Judah wrote for *The Economist* is that twenty years since the breakout of wars on the Western Balkans “old intolerance is replaced with new regional cooperation”. An anecdote from the latest summit opens the text at which Croatian President Stipe Mesic remarked that companies from the countries of former Yugoslavia, from “our countries”, as he said, should join forces to bid on construction projects or specialised military-equipment contracts. Boris Tadic “nodded his head as a sign of support”. The phrase “our countries” is used as text introduction. Apart from language, which has never been a barrier in this region, the author claims that everyone likes the same music and the same food adding that political, religious and ethnical differences still exist. It is also mentioned that “the mobile phones of many young Croats hum with the latest Serbian tunes” and significant data is given as well on trade exchange of countries from the region, expansion of *Konzum* in Serbia and *Mercator* in Croatia... The author also claims that Croats would accept Yugosphere, but “the name does not fit”. Football is mentioned as root trouble: “Bosnian Serbs support Serbia’s national football team, Bosnian Croats Croatia and only the Bosniaks support Bosnia”, states *Economist*. The following message is given at the end of text: “The European Union was founded to cement peace on the continent and in the Yugosphere that job is not yet finished.”