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REBUILDING SOCIO-ECONOMIC COOPERATION IN SOUTH EAST EUROPE AND THE BLACK SEA FOR RESTARTING EUROPEAN INTEGRATION

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Abstract

In our paper “Feraios Revised: Inter-Regional Trans-National Socioeconomic Cooperation in South and Eastern Europe”, published in *International Relations and Diplomacy Journal* (December 2014), we analyzed the prospects of an inter-regional cross-national cooperation (in economic, social and political patterns) in South and Eastern Europe through the structural reorganization of the existing institutions (local, national or cross-national) in the area and we expressed the need for the reintroduction of Rigas Feraios’ perspective of socioeconomic and ultimately of political integration in this region. The present paper is an attempt to explain the reasons why working on the regional socioeconomic cooperation and integration constitutes a necessary condition before going into a wider amalgamation. Contemporary systemic, global crisis brought out internal and transnational aberrations and the fact of the asymmetrical financial integration of the EU countries. The Union consists of a multilevel system where social conflicts, different rates of economic development and various demographic dynamics dominate. The increasing territorial inequalities in the enlarged Europe and the “suspended step” of a monetary unification might establish the need to revert to regional socioeconomic cooperation, on the basis of the existing cultural, economic and historical bonds, like those of South-East Europe and the Black Sea, for restarting European integration and succeed inter-union stability and prosperity.

Keywords: Regional Socioeconomic Cooperation, European Integration

1. Introduction

The financial crisis that began in 2008 resulted in the deconstruction of the political, economic and legal fabric of the European Union (Craig, 2013) and created a great number of dysfunctions. The European Union was not one of the main sources of the crisis, though it was rather affected by its long-lasting consequences. According to Inotai (2011), the crisis consisted by four interacting stages that follow one another with a certain time lag. Those stages are financial, macroeconomic, social and mental/ideological. The financial stage of the crisis seems to have been under control since the end of 2010, while it remains a question whether the macroeconomic stage has reached its lowest point. Concerning the social stage and its main characteristics, such as unemployment, poverty, income differentiation and welfare loss,

has just started to manifest itself, while the fourth and final stage, the mental/ideological, related to the socioeconomic future of the European Union and the creation of a new balance is a challenge that lies ahead. The present paper provides a predated contribution with respect to this final stage of ideological concerns for the future of European integration.

Jean-Claude Piris in his book "The Future of Europe" enumerates three main factors that caused and continue to provoke malaise at the European Union:

1. The variable thoughts as to the causes of the crisis and the most suitable ways to respond to them.
2. The diversity of interests among EU Member States that cause problems to the decision-making process of the Council, as a consequence of the European Union enlargement.
3. The difficulties that faces the European Union with the major institutional players and mainly with the Commission and the European Parliament (Piris, 2012 cited in Craig, 2013, p.803).

Milios and Sotiropoulos (2010) argue that the European Union was affected to such a great extent by the global crisis due to its multilevel constitution. Following its last enlargement, the Union is consisted of countries with various levels of economic development. Their symbiosis under the same currency brought up different rates of growth and profitability, with the countries of the periphery to grow rather fast in relation to the countries of the centre.

Contemporary systemic, global crisis brought out internal and transnational aberrations and the fact of the asymmetrical financial integration of the EU countries. The Union consists of a multilevel system where dominate social conflicts, different rates of economic development and various demographic dynamics. The increasing territorial inequalities in the enlarged Europe and the "suspended step" of a monetary unification might establish the need to revert to regional socioeconomic cooperation. Given the global economic conditions, regional integration within the European Union does not seem to promote its members' prosperity. Recent empirical data confirm that the Eurozone and most countries in it show a downward and volatile trend (Zarotiadis, 2014).

What follows is an attempt to define the term regional socioeconomic cooperation and explain the reasons why working on it constitutes a necessary condition before going into a wider amalgamation. The last part gives emphasis on the regional socioeconomic cooperation of the countries in South-East Europe and the Black Sea for restarting European integration and succeed inter-union stability and prosperity, on the basis of their common existing historical, cultural and economic background.

2. Regional Socioeconomic Cooperation: A Prerequisite for a Wider Amalgamation

The term regional cooperation is defined by Anastasakis and Bojicic-Dzelilovic (2002, p.2) "as a more flexible type of interaction, accommodating diverse groups of states, economies and cultures dominated by ideas of opening and promoting mutual interdependence". Regional cooperation is a process that allows governments, local authorities, civil society sectors and businesses to implement activities among countries in order for common action and networks of independence to be achieved. Through this process the countries interact in issues related to economy, politics, security, culture and education and intent to "greater economic prosperity through economic cooperation, to democracy-building through political dialogue and contacts and to build more cooperative attitudes and mentalities among governments and peoples alike" (Anastasakis and Bojicic-Dzelilovic, 2002, p.2).

However, the cooperation process for countries in the same region may have various difficulties, such as national pride, political tensions, lack of trust, high coordination costs and asymmetric distribution of costs and benefits. Furthermore, given the fact that there are no courts or authorities to appeal to, it is hard for the countries to conclude to regional agreements (Schiff and Winters, 2002).

According to Anastasakis and Bojicic-Dzelilovic (2002) external and internal factors play a very important role to the achievement of a regional cooperation agreement among countries. More specifically, the external dynamics use various mechanisms to facilitate the agreement

while the internal factors should be willing to identify that it is the importance of the agreement and the common interests among the integrating countries that will drive to common projects. The two researchers, after taking into consideration the perceptions of the internal dynamics, the so called local elites, move on and define the factors that motivate and those that hinder regional cooperation specifically in South-East Europe.

Geographical proximity and the regional nature of problems (organized crime, border control, environmental problems, underdeveloped infrastructure are by their nature issues that should be handled by all countries located in the same region) constitute the two main factors that promote regional cooperation. What follows are the insignificant size of each individual market and its expansion potentials, but also historical links, cultural similarities but also external pressure. Though it is not considered to be an important initiative for regional cooperation by the local elites, in our paper "Feraios Revised: Inter-regional Trans-national Socioeconomic Cooperation in South and Eastern Europe" we anticipate this links as the main objective motivating factors (Zarotiadis and Lyratzopoulou, 2014).

Concerning the factors hampering close regional cooperation among South-East European countries, the local elites indicate the low levels of economic, social and political development of the countries, while other obstacles constitute the non-complimentary economic structure, ethnic differences, lack of security, peoples' lack of trust, weak legal frameworks (e.g. widespread corruption), the different level of bilateral relations with the European Union, the unwillingness of the political actors and the lack of political vision and finally the inadequate infrastructure in the region (mainly mentioned by the business elites of the region).

No matter what factors could make cooperation across countries harder (different histories, geographies, constraints, different ways of thinking, living, and producing) Petrakis (2014) argues that those factors constitute the main cause for the economic problems the European Union is experiencing today. Countries with less developed economic structure tend to lag behind and they are not allowed by internationalization to close their gap with the most prosperous ones that experience sustain growth (Ascani *et al.* 2012; Zarotiadis, 2014); as a result financial assistance has to be given at the first countries in order for regional divergence to be alleviated.

All countries forming the European Union and all those planning their accession, have beard in mind that convergence and integration is the only way to a more positive future; as a result all countries have recently comprehend that regional cooperation is a springboard to European integration, as it constitutes the route to stability and prosperity, regionally and nationally. However, it is noted a lack of consensus regarding the degree that regional cooperation could benefit each country individually and the region as a whole. Regional cooperation is very often considered to be insignificant by the local elites; they regard it as a political issue with little impact in everyday life, where economic cooperation being its only understandable aspect (Anastasakis and Bojicic-Dzelilovic, 2002).

Bergs (2001) reminds us that apart from the Maasstricht Criteria, entering the European Monetary Union requested also other prerequisites that should be fulfilled, such as flexible wages and prices, increased labor mobility and fiscal equalisation, in order for the asymmetries among countries to be alleviated. Those criteria are truly fulfilled only in very homogenous currency areas. The asymmetries within the European Union will continue to exist, since apart from the large, already integrated to a great extent, economies, there are great structural heterogeneities across the countries recently entered the European Union; heterogeneities that would become deeper and would cause more shocks to the European Union. To avoid continuous troubles, attention should be first paid on regional cooperation and integration, so as for the countries belonging to the same region to present a similar level of development.

Aydin (2005) argues that regional cooperation constitutes a tool promoting regional and global security and stability. Collaborating countries in the same region can facilitate organized action against issues that set humanity in danger, such as organized crime, terrorism, drugs, weapons and human trafficking, and promote stability and security regionally and globally. Furthermore, through regional cooperation the countries can establish behaviors to deal with economic, social, political, environmental and cultural issues and in that way to build a "shared identity", by joining regional organizations and institutions. In that way, they get themselves

prepared for their accession in larger organizations, like EU, where it is needed stronger social and economic integration and the “pre-adoption of certain norms and standards of these organizations”.

Regional cooperation and finally integration is a gradual, long-term, complex and also slow process that needs strong basis to be fulfilled. Since the global institutions are unable to deal with the needs of each region (in relation to environmental, social, fiscal issues etc.), in time, neighboring states can take the initiative to cooperate and deal with those challenges. For a successful regional cooperation, what required are instruments driving to “the economic and technological development”, “the involvement of business people and civil society” and “the support of the local elites” (Manoli, 2014, p.23).

Even if the process of regional integration is laborious and difficult, this is still a useful precondition towards the creation of wider unifications-especially for the European one, where the intensity and the density of historical processes create socio-cultural and economic disparities that cannot be simply overwhelmed by hasty financial amalgamations. When political procedures prove to be desperately cursory, due to existing contemporary socioeconomic pressures, stepping back and trying to settle down the resulting shortages is necessary and efficient. In that sense the reorientation towards regional cross-national integration should not be understood as being antagonistic to the process of European unification; on the contrary, it is an indispensable prerequisite.

3. Emphasizing on the Socioeconomic Cooperation of South-East European and Black Sea Countries

For the last ten years and thereafter, Europe seeks to consolidate its identity as a Union and to establish stability and security among its countries. However, South-East countries and the two key regions of the Balkans and the Black Sea have not yet fully adopted this idea creating troubles and challenges to Europe's vision. The 28 already country-members of the European Union introduce a rather distinctive character, with different rates of growth, economic, political and social development; facts that hamper the symbiosis of the countries within the European Union and prevent their integration in full. Kempe and Klotzle (2006) argue that the full integration and the achievement of the vision for a whole and free Union seems rather far, since the Balkans and the Black Sea countries lack of coherence threatens stability and security in their regions, preventing in that way Europe from achieving its goal.

By describing the current status of the South-East countries, one could say that the regions of the Balkans and the Black Sea are “affected by a number of economic integration and transition forces shaping at the same time the economic landscape in Europe”, while “their identity is dominated by their geographical location” (Zarotiadis and Lyratzopoulou, 2014, p.829). The area is characterized by a weak background, with long-standing ethnic diversities leading to conflicts and an unsafe environment for the citizens, unstable economic and political growth and the unwillingness of the states to control their territories.

These unfavorable characteristics make many wonder whether the accession of a number of South-East countries in the European Union, during its great enlargement in 2004, and the Unions expansionary intentions to the Balkans and the Black Sea could halt integration within the European Union. The answer to the question is the idea of regional cooperation and integration within the two regions before going to a wider amalgamation.

Despite the above described characteristics of the two regions and the possible consequences of the accession of their countries in the European Union or a Union's close cooperation with them, Brussels has clear expansionary intentions to these regions, mainly due to their key geopolitical position. The Balkans and the Black Sea region neighbor directly with the European Union, NATO and Russia, linking Europe with the Middle East and Central Asia, while they constitute an energy transport route of great importance (Kempe and Klotzle, 2006). The European Commission, since the declaration of its interest for the establishment of state sovereignty and stability throughout Europe and Asia, understands that regional cooperation and integration is the key for innovative solutions to the issues upsetting its neighboring countries. Furthermore, the regional policy of the European Union for the Balkans and the Black

Sea might be more successful than for other regions, due to some special features characterizing their countries and also due to the fact that regional cooperation is compulsory for their accession, even if Europe has no membership perspectives for some of them (Aydin, 2005).

Examining each of the two regions separately, the region surrounding the Black Sea is characterized by ethnic diversities, cultural and language differences and religious heterogeneity; one could also mention differences in the size of the countries, their economic structure and political orientation; facts that lead to conflicts and create an unstable environment. The region's weak background created favorable conditions for external players to penetrate, competing to promote their products in the new open markets. The Black Sea and the area surrounds it, though, is rather favored geographically, since connected directly to the Mediterranean it constitutes a convenient route to the west. Bridging Europe, Asia and Africa and with a great military-strategic and geo-economic importance, its role within the international relations worldwide increases (Homorozean, 2010). Despite its volatile and uncertain economic and political environment, the Black Sea region has entered the world economy, since two of its countries, Russia and Turkey, are among the G20, while the presence of the European Union in the region is obvious after the accession of Bulgaria, Greece and Romania (Manoli, 2014). Consequently, given the long-lasting intercultural, business and socioeconomic relations generated historically and the increasing role of the area in the international framework, the Black Sea constitutes a fertile environment for promoting regional cooperation and integration (Zarotiadis and Lyratzopoulou, 2014).

For all the reasons mentioned, the Black Sea countries and also the external actors (EU, NATO) have already comprehended the importance of cooperation within the region for succeeding further development and promoting their interests. Since 1990's the Black Sea region has been undergoing a long period of transition, during which a number of strengthening reforms have taken place and economic networks have been created. Mainly this was due to the fact that during the 2008 economic crisis the Black Sea countries were adjusted rather successfully to the economic shocks. Manoli (2014) argues that despite the fact that the regional identity has not been shaped in full yet, the countries in the region have formed trade links among them, financial transactions, labor, technology and tourist relationships, while investment flows are deepening; facts that enhance their economic competitiveness.

Apart from the efforts made by the Black Sea countries on their own, there are also a number of cooperation initiatives undertaken by external actors aiming at fostering regional peace, stability and prosperity (Homorozean, 2010). Indicatively there are mentioned the Organization for the Black Sea Economic Cooperation (BSEC), the Black Sea Synergy (BSS) and the Eastern Partnership (EaP), both European Union initiatives familiarizing the Western Black Sea countries with the "Europeanization Process", the international organization Community of Democratic Choice (CDC) initiated by Georgia and Ukraine for supporting democracy and human rights and the European Union-led initiatives the Baku Initiative and the Energy Community aiming to promote energy production, transport and transit (Homorozean, 2010).

Regarding the Balkan region things are kindly different, since the states in this region are on a path toward membership in the European Union. However, the Balkan countries need to work harder on their regional cooperation and integration, at a time when the European Union suffers internal turmoil (Kempe and Klotzle, 2006).

Similar to the Black Sea region, there are common features among Balkan countries that facilitate their regional cooperation and integration. Apart from geography and proximity, the Balkan countries share common history that shape cultural, political and economic bonds among the states, enabling better understanding among people and governments. Since almost all Balkan countries experience a transition period, leading to underdevelopment and lack of security, there are common regional problems that could be dealt with only via joint action. Additionally, most of the states have already become members of groups like the Central European Free Trade Area (CEFTA) or the Danube Commission, a fact that "denotes common political interests and similar attitudes towards the international environment", while external actors press countries towards cooperation (Anastasakis and Bojicic-Dzellilovic, 2002, p.7).

However, the features enabling cooperation constitute at the same time an obstacle among Balkan states. For example, history is one of the factors that either promotes or hampers cooperation between countries, since each country is influenced differently by historical experiences. Geographic proximity favored economic and political heterogeneity, as the disintegration of former Yugoslavia created competitive small states fighting over borders and national identities. Other factors hampering cooperation are the stunted inter-regional trade, due to alike economic structures and production of almost the same products that hinder trade opportunities, the efforts made for democracy liberalization, the lack of human, social and institutional capital, and finally the existence of ethnic nationalism, that excludes all non-members of dominant groups (Anastasakis and Bojicic-Dzelilovic, 2002).

Considering all the features characterizing the regions of the Black Sea and the Balkans, and the consequences of the ongoing socioeconomic crisis as well, the international community comprehends the significance of working on binding the bilateral relations among the countries of each region and enhancing anyhow regional cooperation and integration for the establishment of a stable and secure environment, promoting simultaneously its own interest.

4. Conclusion

Motivated by Rigas Feraios' perspective, expressed already in the second half of the 18th century, regarding the socioeconomic and ultimately political integration in South and Eastern Europe, our present paper is an attempt to explain the necessity of the reintroduction of this perspective. The process of European integration and globalization and the consequences of the global crisis as well created new conditions in the region, that call into promoting regional socioeconomic cooperation and integration before going into a wider amalgamation. It is rather reasonable for one to believe that before joining a greater institution, a country should prove its readiness to cooperate with its neighbors first.

The Balkans and the Black Sea region provide a rather fertile environment for regional cooperation, due to the presence of long-lasting, historical intercultural, businesses and socioeconomic interrelations. From being a case where the process of European unification proved to be inefficient, The Balkans and the Black Sea can become a pilot application of the necessary regional cross-national integration, a prerequisite for setting the right path towards a common European home of democracy, respect, collaboration, social justice and environmental sustainability.

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