

MIHAILO CRNOBRNJA ABOUT SERBIAN INTEGRATION

MAGDOLNA PONGOR

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Magdolna PONGOR: What attitude did you encounter in the US and in Canada? In what respect was it different from what you experienced in Serbia?

Mihailo CRNOBRNJA: When I went to the US in 1968-1973, when Hungary and also Yugoslavia were communist countries, so going to the US meant a world of difference. Not only in terms of private life and political situation, but also in education. Economics in the US was all equations and algorithms and algebra, mathematics, I found it very difficult – professionally it was very hard to keep with the rest of the class, it was so difficult at the beginning that at one point I almost left.

And then you decided to go to Canada to teach.

After the US, where I stayed from 1968-1973, I went back to Yugoslavia to do compulsory military service for 11 months. Then, I started my professional teaching career in economics at the Faculty of Political Sciences. From 1974-1989, I became assistant professor, associate professor, then professor, and then I became Ambassador for Yugoslavia to EU in 1989. When Yugoslavia fell apart, I emigrated from Brussels to Canada, and start teaching at McGill. In my reception, the US and Canada are two enormously different countries: US is extremely individualistic and competitive, liberal capitalism. Canada is much more social minded, it has a kind of socialism in the good sense of the word: social awareness, taking care of people's needs- Canada is excellent at that.

Which were the experiences that you could bring home and on which you could build upon later in you career?

In the US I learnt efficiency and productivity, carried that in me from those days on, it was something that hit me straight in the head, I absorbed it, and it became a part of me.

The other thing which I learned in the US, that home was not ready to accept is vertical mobility. It means that a young person moves up very fast if the young person is good. In our system, you had to be an assistant for two years, then assistant professor for 5 years. Why would you keep somebody who is talented to the lowest grade when he could be at the highest grade? There was an American professor who came to Belgrade and wanted to teach, and he had such credential, you would not believe, and I suggested that we elect him for full professor. He was not let to fulfil the post, even though he had recommendations from all over the world.

What challenges did you have to face as ambassador for Yugoslavia to the EU?

I went there as an ambassador of a very-very respectable country in 1989. A country which has long had relations with the EU – I was the 6th ambassador from Yugoslavia, we started in 1967, as opposed to other countries - Hungary only had embassy from 1983. They had not much work. I had a lot to do, because we had very developed relations with the European community, and as I came there, I had a lot to do, I also had the additional pleasure of talking to all ambassadors of former communist countries. The Berlin wall fell down, communism collapsed, and all these countries wanted access to the EU. So they kept on asking me how we started. How was it possible that we were so far ahead? Now all these countries are in the EU, and we are still waiting at the door for another 10 years.

Which are the main benefits of Serbia from the EU?

The same benefits as all other countries. Integration offers primarily economic benefits, a big market which offers competition also, forcing domestic producers to change their practice they followed in communism. Also, it would mean belonging to a large community of European nations which work together towards peace, stability, and so on – these are the collective benefits. In addition, there are two clear benefits of Serbia: the values – what we need is to replace values in Serbia, which now are too traditional, too

orthodox, even the young people are looking backwards rather than forwards. That needs to change, and that can change best in the EU. The other benefit is financial one: the EU offers money for us to integrate to the EU, which means increase in the quality of our society. The EU has this EPA funds: as a member of the EU, one gains access to the regional and agricultural funds. We have calculated that Serbia would get roughly about 2.1 billion Euros.

What has Serbia to offer to the EU?

Serbia is very important for the Balkans, for the whole region, there is no question about that. It has a lot of leverage in the region. I think that the EU is aware of the fact that Serbia has a major impact on neighbouring countries like Macedonia, Albania, the region of Kosovo, Montenegro, Bosnia and Herzegovina. Croatia is different. It is already practically member of the EU – maybe in a year or a year and a half it will be member. Having Serbia inside, stable and prosperous, is the best way of keeping stability in the entire region.

So I think it is the main benefit of the EU is not the size of the market of 10 million people, it is not as attractive as Poland (38 million people) or Romania (22 million).

What is the common Serbian attitude to the European Union?

The EU Integration Office of Serbia, have conducted polls of the Serbs, from 2002 and in most of the polls the question was “*If tomorrow there is the referendum, how would you vote?*” Between 70-77% were for *Yes*. There was and still there is a keen interest for the EU in Serbia because there’s a belief that the EU automatically brings good life. But we also had control questions, such as “*How much do you know about the EU?*” 40% said *We know a lot*, 20% said *We know enough*, and the rest said *We don’t know*. So despite their lack of knowledge, they still want to join. The other control question was “*If joining the EU would meant giving up Ratko Mladic, how would you vote?*” The *Yes* vote drops from 71 to 30%. So they certainly want to go into the EU, but under their conditions, not under the ones of the EU. That is something that we have to work on: to educate the people that the EU is an international entity, which has lived for 50 years, and survived very serious crises, like the one two and half years ago, and that it is the future, and not the past.

Another important aspect of the integration issue is Kosovo. What do you consider as a possible solution to this problem?

I was recently asked the question that why was Serbia so persistent on the issue of Kosovo, and my answer was that it would be political suicide to say yes to the disruption. Even if everyone else in the world would recognise Kosovo, Serbia would probably still say that it is a part of Serbia. The resolution is very much dependent on how much time will pass until the Serbian entry to the EU. There are two sides of the problem. One is ours, the Serbians and Albanians in Kosovo, but the other one is in the EU. There are five countries which do not recognise Kosovo, not because of their sympathy for Serbia, but because they have similar problems of their own. Spain has Basques in Catalonia, Slovakia and Romania has Hungarians, Cyprus is divided between Turkey and Greece, so they are defending their own interest in not recognising Kosovo. Actually, it is the best that Serbia can hope for: the strongest defence is the one of one’s own interest. Serbia nor Kosovo can expect entry to the EU any time soon, so there is still time to work with, and this time, I believe that there is a little more pressure to come to a compromise. The dialogue was supposed to start in Brussels on Thursday, two weeks ago, but it could not, because first the parliament has to pass a resolution. Washington and Brussels called Serbian officials to be in Brussels on Thursday, and they were. Therefore, I am a little more optimistic than I was some time ago, but it is probably the toughest question we have to face. Mladić cannot be compared to Kosovo, when we talk about Serbian entry to the EU.

Do you think that Montenegro has a better prospect for the future as not part of Serbia?

I was very much involved in a process initiated by the EU to try and homogenize the country to Serbia and Montenegro. After a big Yugoslavia, a small Yugoslavia was created, which was only two countries: Serbia and Montenegro, which would convert to the Serbian State Union. Then, Montenegro pulled out, and now Kosovo is in focus. So one might wonder what comes next.

The primary strategy is the conservation of the Euro-zone. Do you think that it may have a negative impact on integration policy?

I don’t think so. I think that the bigger danger of the integration of the Balkans is the general feeling of enlargement fatigue. In a number of countries, people are saying that it is too much. Therefore, the politicians of those countries have to respond to their population, and they are more reserved towards

integration than they used to be. Not for Croatia, which is almost inside the EU. Despite this, I don't think that the monetary union have a direct impact on integration. We are not integrating into the monetary union yet, nor Latvia, Hungary, Romania, and Bulgaria do. There are also states that could be parts of the Monetary Union, but they are not, like England, Denmark, or Sweden. In the EU, there is room for more. so monetary union is rather an exclusive part within the EU. Of course they have a lot of concerns at the moment because of the Greek crisis, the threat of crisis in Portugal, in Spain, in Ireland and so on, so they are trying to consolidate the fiscal policies in order to preserve the monetary union, but there is no immediate impact on the potentials of integration into the EU.

Do you think that monetary policy will be able to cope with the new countries? Will it stay to be an exclusive thing or will it expand to the whole Union?

The main idea is to extend the monetary union. Hungary, for instance, tried to enter, but the fiscal crisis came, and now experts say that it will not be possible until 2013. The Czech Republic also wants to join. It has not lost its attraction, maybe ten years from now, instead of 17 countries – Estonia entered January 1st this year – there will be 25 member countries in the monetary union. I am rather optimistic in this respect. Let me illustrate this: in 1993, as an emigrant, when I went to the Bank of Canada to apply for a post as an international economist, the chief economist asked me what I thought about the monetary union and whether a Euro would come into existence. I replied: “Yes, I am absolutely sure that this will happen.” I was right, but I was not given the job, because they thought me naive – they told me that it was impossible, because the Euro was not a national currency. So I am really optimistic about this issue, and I believe that countries will join the union for their own interest, not for the glory.

Is there a common position in Serbia for the EU, or is there a debate going on?

Until very recently, there was a big debate, until the last elections, when the actual government won by 22-23%, it was not an overwhelming success. Now there is much less debate, positions are retracted, and the opposition regularly goes to Brussels, and they claim that they had switched from non-EU position to EU-supporters. But in politics, you can never be quite sure whether it is sincere, or just a tactic to gain the elections, and once you have gained, you start moving in the other direction. So I am not quite certain about that, and certainly one thing I know for sure is that we are not in the position of the Slovenes, who made their decision by 80%, they had all the people behind them. And it is not so sure that the position of the people in Serbia is as strong as in a number of other former communist countries, which exited communism and soon entered the EU.

Could you mention some steps that Serbia has to take in order to become member of the EU?

The most important things are completing privatization, make our market more competitive, there are too many monopolies and uncontrolled oligarchs in Serbia. We need to scale down substantially the level of corruption, change the political system, making members of the government less dependent on their party, closer to the people – fighting against partocracy. We also need to finish restitution, give the ownerships to the people from whom it was taken; we need a lot of reform in the judiciary system, because our courts are still not independent, and the whole legal structure is extremely inefficient. A typical case in Serbia lasts about 7 years. From the economic point of view, we need to do what Hungary has done successfully, and that is to orient our economy much more on exports. As we import a lot, export very little. These are the keys that need to be done, and of course there are some others.

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