# REGIONAL TRANSFORMATION PROCESSES IN THE WESTERN BALKAN COUNTRIES

Edited by GYULA HORVÁTH ZOLTÁN HAJDÚ

Centre for Regional Studies of the Hungarian Academy of Sciences

Pécs, 2011



The book is sponsored by the European Union, co-financed by the European Social Fund and supported by the Ministry of National Development. The project title: The Socialisation of Regional Science.

© Hungarian Academy of Sciences Centre for Regional Studies, 2011

ISBN 978 963 9899 37 7

Translated by: Ildikó Egyed, Mónika Fodor, Zoltán Raffay, Anna Szijártó, Zsuzsanna Zubán Revised by: Chadwick Sheppard, Ildikó Egyed Technical editor: Ilona Strasserné Csapó Figures: Valéria Fonyódi Photos: Tamás Hardi Print in: Sümegi Nyomdaipari Kft.

All rights reserved. No part of this book may be reproduced, stored in a retrieval system or transmitted by any other means without the prior written permission of the copyright holder.

### CONTENT

#### LIST OF FIGURES / 7 LIST OF TABLES / 10

#### **INTRODUCTION / 13**

#### I. EFFECTS OF THE CHANGE OF REGIME / 15

The Balkans in Europe / 17 Zoltán Hajdú

State building processes after 1990 / 44 Zoltán Hajdú

The internal structure of Western Balkan countries / 73 Iván Illés

The Western Balkans and European Union accession / 103 Iván Illés

#### II. DEMOGRAPHIC PROCESSES AND LABOUR FORCE / 121

Peculiarities and conflicts of ethnic composition / 123 Zoltán Hajdú

Demographic transition / 149 Roberto Chizzali

Migration / 178 Andrea-Rosalinde Hofer

Employment and labour markets / 197 Elisa Campestrin – Emma Clarence

#### III. ENVIRONMENT AND SETTLEMENT NETWORK / 227

Natural resources and state of the environment / 229 Imre Nagy

Urban network / 256 László Faragó – Szilárd Rácz

Village network and rural areas / 289 *Tamás Hardi* 

<ul> <li>IV. POLITICAL SYSTEM, PUBLIC SERVICES / 305</li> <li>Specifics of the governmental systems / 307</li> <li>Ilona Pálné Kovács – Zoltán Grünhut</li> </ul>
Social infrastructure and social services / 350 Emma Clarence
V. ECONOMY / 377
The disintegration and reorganisation of industry in the Western Balkans / 379 <i>Gábor Lux</i>
Agriculture in the Balkans / 400 Teréz Kovács
Transport in the Balkans / 427 <i>Ferenc Erdősi</i>
Tourism / 447 Zoltán Raffay
The banking sector of the Western Balkans / 470 Zoltán Gál
Higher education, research and development / 488 Patrick Dubarle – Gyula Horváth
Small and medium-sized enterprises, and private entrepreneurship / 511 Patrick Dubarle – Alessandra Proto
Local economic development / 547 Andrea-Rosalinde Hofer
Regional development programmes / 570 Patrick Dubarle – Cecília Mezei – Zoltán Pámer

### BIBLIOGRAPHY / 602

AUTHORS OF THE BOOK  $\ / \ 639$ 

6\_\_\_\_\_

## LIST OF FIGURES

1	Geographical delimitation of Southeastern-Europe, the Balkan Peninsula	
	and the Western Balkans	22
2	South-east European Transnational Programme of the EU	38
3	Programme area of the EU's Danube Strategy	39
4	The periods of the stable of national borders in Europe in the 16 <sup>th</sup> –20 <sup>th</sup>	
	centuries	47
5	The transformation of former Yugoslavia into seven sovereign nation states,	
	1991–2008	51
6	Integration structures of Southeast-Europe, 2008	57
7	Banovinas of Yugoslavia, 1931	74
8	Member republics of Yugoslavia, 1946	76
	Counties of Croatia at the end of the 1800s	84
10	Sites of war crimes on the territory of former Yugoslavia according	
	to ICTY	146
11	Population growth rates in the EU27 and the Western Balkan region,	
	1960–2050	152
12	Total fertility rate in the EU and the Western Balkan region, 1960–2050,	
	number of children per woman	154
13	Life-expectancy at birth in EU27 and the Balkan region, 1960–2050	156
14	Share of population 0–14 years in the EU27 and the Western Balkan region,	
	1960–2050	157
15	Share of 65 years and older population in EU27 and the Western Balkan	
	region	158
16	Age pyramids, EU27 and the Balkan region, 1960	159
17	Age pyramids, EU27 and the Balkan region, 2010	160
18	Total fertility rates in the Balkan countries, 1960–2010	161
19	Male life-expectancy at birth in the Balkan countries, 1960–2010	162
20	Female life-expectancy at birth in the Balkan countries, 1960–2010	162
21	Percentage of urban population in the Balkan countries, 1960-2010	163
22	Mean age in the Balkan countries, 1960–2010	164
23	Population age pyramids in the Balkan countries, 2010	175
24	GDP Growth: actual and future estimates, annual %	200
25	Unemployment rate for group age 15–24 (% of unemployed)	208
26	Percentage of Roma and the majority between 15 and 55 years	
	of age who are unemployed	210
27	Unemployment rate (%) by region in Serbia (October 2009)	212
28	Unemployment (%) by region in Montenegro – Fourth Quarter 2009	213
29	Unemployment rate (%) by entity in Bosnia and Herzegovina, 2007–2009	213
30	Protected areas in the Western Balkan region	236
31	Protected areas of the region	239
32	Geothermal energy potential of the Western Balkan region	242

33	Sea water quality in the coastal areas of the region in 2005 (the percentage	
	of survey and measuring sites meeting national standards)	248
34	Spatial characteristics of the state of the environment in the Western Balkan	251
35	Urban population 1990–2015	262
36	Population change of the capital cities 1990–2010	263
37	Towns of the Western Balkans, 2008	264
38	Spatial structure and urban hierarchy of the Western Balkans	266
39	Share of capital cities in the total urban population 1990–2010	286
40	Proportion of inhabitants in predominantly rural areas in the Western	
	Balkan states	290
41	Breakdown of municipalities by average settlement size – in Croatia	
	and certain areas of post-1992 Yugoslavia	295
42	Prefectures (qarks) of Albania	326
43	Regions (kantons) of Bosnia and Herzegovina	328
44	Counties (županijes) of Croatia	331
45	Statistical regions of Macedonia	335
46	Districts (okrugs) of Serbia	336
47	Local governments of Montenegro	341
48	Statistical regions of Slovenia	343
49	Absolute poverty rates in Albania 2002–2005, as a percentage	357
50	Poverty rates in Bosnia and Herzegovina (%), 2001–2004 by entity	357
51	Kosovo poverty head count	358
52	World Bank poverty forecast: Western Balkans \$PPP 5.00 a day	359
53	Per capita total expenditure on health at average exchange rates (US\$),	
	2003–2007	368
54	Total expenditure on health as % of GDP, 2003–2007	369
55	Sources of health care finance	370
56		371
57	NGO sustainability index (USAID)	374
58	Employment changes in industry and construction, 1990–2008	381
59	The share of employment in industry and construction in Central Europe,	
60	1990 and 2008	387
60	The regional differences and internal structure of industrial Gross Value	201
(1	Added (GVA) in Serbia, 2005	391
61	Entrepreneurship zones and industrial parks in Croatia and Serbia	396
62	The contribution of agriculture to GDP in 2005	403
63	Employees in agriculture as percentage of total employment, 2003	405
	Meadows and pasture-land, livestock, fishing and fish processing	409
65	Structure of agricultural land in Serbia, Central Serbia and the Vojvodina,	410
~		410
	Percentage of meadows and pasture-land in the total land area	411
67	Structure of agricultural holdings	412
	Plant cultivation/yields, 2005	418
09	Cultivated land, arable land, cereal and maize production, 1981–1983	410
	average	419

-		
	Production of animal products, 2004	421
71	8	
	country (2004/2005)	424
	Pan–European/Trans–European corridors	431
73	Rail routes between Köln and Halkali (Istanbul)	437
74	Transit options Ljubljana-Halkali (Istanbul)	438
75	Number of motor-vehicles crossing frontiers daily in 2000	441
76	Frontier crossing points between Romania and Bulgaria	442
77	Spatial concentration of tourism in Croatia, 2008	449
78	Number of tourists and guest nights in the Western Balkans countries, 2008	456
79	Total assets to GDP in %, 2006	482
80	Central and Eastern Europe: loans, deposits, loan/deposit, 2006	483
81	Evolution of the number of students in higher education institutions	
	in Yugoslavia, 1959–1984	491
82	Spatial location of the higher education institutions of Western Balkan	
	countries student numbers	494
83	The number of full-time students enrolled in Albanian higher education	
	institutions, 1995–2008	495
84	Evolution of student numbers in the Croatian system of higher education,	
	1999–2008	495
85	Evolution of student numbers in Serbian higher education, 1990–2007	497
	Evolution of the number of higher education students in Bosnia and	
	Herzegovina, 2000–2008	498
87	Evolution of the number of R&D employees, 1996–2007	500
88	Regional distribution of research units in countries of the Balkans	507
89	Target areas of the Adriatic IPA CBC-programme	580
90	Assisted areas in Croatia	591
91	Underdeveloped regions of Serbia with independent regional development	
	strategies	594
92	The least developed Northern region of Montenegro	598
		270

## LIST OF TABLES

1	Different delimitations of Southeast-Europe and the Balkans post-1990	34
2	The evolution of European integration relations of Balkan countries	106
3	National composition of Yugoslavia, 1961–1991	130
4	National composition of Bosnia and Herzegovina, 1961–1991	132
5	National composition of Croatia, 1961–1991	133
6	National composition of Macedonia, 1961–1991	134
7	National composition of Montenegro, 1961–1991	135
8	National composition of Serbia, 1961–1991	136
9	National composition of Slovenia, 1961–1991	138
10	Estimate of the number of persons concerned by HCR activities at the	
	end of 1999	145
11	Population size (thousands) and change (%) in 1960 and 2010 in the	
	Western Balkans	166
12	Net migration rates in the Balkan countries, 1960–2010	
	(net number of migrants per 1000 population)	166
13	Population Cohorts in the Western Balkans, 1960–2010	168
14	Dependency ratios in the Western Balkans, 1960–2010	170
15	Stock of emigrants and immigrants as percentage of population, 2005	180
16	Remittances as share of GDP, in percentages	181
17	Top 10 destination countries for emigrants from the Western Balkans in	
	2005 and distances between capital cities in kms	192
18	GDP and employment trends, 1995–2004	198
19	Unemployment rates in the Western Balkans 2007–2009 aged 15–64	205
20	Incidence of long-term unemployment (% of unemployed)	206
21	Male and female unemployment rate 2007–2009	211
22	EPL index as per OECD methodology	222
23	Fixed term contracts and redundancy in the Western Balkans	223
24	Survey of some important mineral water resources	233
25	Agriculture and Forestry	237
26	Energy from biomass products and waste, % of total	243
27	Air pollution	244
28	Water supply and wastewater infrastructure	246
29	The cross-border impact of environmental pollution from mining in the	
	Western Balkan region	249
30	Environmental ministries in countries of the Western Balkans	253
31	Spatial structure and urban features of Bosnia and Herzegovina	269
32	Spatial structure and urban features of Croatia	272
33	Spatial structure and urban features of Montenegro	278
34	Spatial structure and urban features of Serbia	281
35	Breakdown of villages by population in some areas of the post-1992	
	Yugoslavia	295

List	of	tab	les

36 37	Change in the proportion of the poor in rural Serbia, 2003 Incomes of the families in Yugoslavia, in percent of the national average,	301
	1983	302
38	Territorial Organisation of the Western Balkan Countries, 2010	348
39	Estimated Roma population	354
40	Roma disadvantage in the Western Balkans	355
41	Workers' remittances in the Balkans in 2007 and 2008	360
42	The sectoral structure of Gross Value Added (GVA), 2007–2008	390
43	Foreign Direct Investment (FDI) per capita (USD)	393
44	Knowledge economy indices in Central Europe	394
45	The economically active % of the total agricultural population of Serbia	406
46		407
47	Proportion of subsistence and near-subsistence farms (%) within the total	
	of farms in the Balkan countries	413
48	Households (holdings) by sources of income and the size of land in Serbia,	
	according to the population census of 2002	414
49	The sectoral proportion of agricultural output	415
50	Plant cultivation, area and yields, 2005 (2004)	417
51	Livestock numbers and production of animal products, 2004	420
52	Data on fishing in coastal countries	422
53	Main indicators of foreign trade of the Balkans countries	430
54	Trends in maritime ferry-traffic between Croatia and Italy	433
55	Number of railway frontier crossing points of Serbia and Yugoslavia	
	between the two World Wars	435
56	Motor-vehicle traffic crossing different frontiers in the Balkans in 2000	439
57	The rankings of the Balkans countries in international tourism	448
58	Positions of the Mediterranean and the Balkans regions in world tourism	450
59	Rankings of Mediterranean and Balkans regions in world tourism	
	(in relation to population)	451
60	Tourism portals of the Balkans countries	452
61	World Heritage sites in the Western Balkan countries	453
62	Number of tourist arrivals and guest nights in Croatia, 1985–2008	455
	The share of foreign banks (as % of banking assets)	479
	The structural characteristics of the banking systems in the Western	
0.	Balkans	481
65	Territorial breakdown of the Croatian banking system	485
	Periods of university foundation in countries of the Balkans	490
	Some important indices of higher education in Balkan countries, 2007	493
	· · ·	
	Some important R&D indices in Western Balkan countries, 2007	501
69	The spatial structure of research institutions, 2005	505
70	Number of SMEs in South East Europe	517
71	Private sector share of GDP	517
72	Structure of SMEs by sector, 2001	518
73	Facility in doing business, global positioning (WB ranking in 178 countries)	519

11

74	Accountable institutions	534
75	Indicative overview of business support services	536
76	Starting a business: procedures and duration comparison	538
77	Associations of Municipalities	552
78	Key barriers to more participation in cross-border co-operation programmes	553
79	Number of firms per 1,000 population	554
80	Innovation capacity indicators	556
81	Buyer sophistication in the Balkans	557
82	Global Entrepreneurship Week activities	561
83	Pro-Credit and Raiffeisen branches, 2008	562
84	Performance in selected business-financing indicators	563
85	Local participation in the Enterprise Network Europe	568
86	CARDS Programme Allocation for, 2000–2006	575
87	Financial allocation of the IPA programme for the period 2007–2012	578
88	Financial allocations for CBC-programmes for Western Balkan countries,	
	2007–2009	579
89	Financial allocation of the IPA programme, 2007–2012	581
90	Financial allocation by the IPA programme in the period 2007–2012	582
91	Allocation of resources in Slovenia in the programming period 2004–2006	584
92	The financial frameworks of the NSFR programme in Slovenia in the	
	period 2007–2013	585
93	Background to regional development	586

12